

**BOARD OF FINANCE
REGULAR MEETING – December 17, 2019
MEETING ROOM B TOWN HALL**

PRESENT: Jeff Rutishauser, Peter Balderston, Michael Kaelin, Stewart Koenigsberg (via phone), Kevin Gardiner, Chris Stroup

Others Present: First Selectwoman Lynne Vanderslice, Casey Healy (Fire Commissioner) and members of the Fire Department

Call to Order

Chairman Jeff Rutishauser called the meeting to order at 7:30 pm.

Approval of Minutes of November 19, 2019 Regular Meeting

Mr. Rutishauser asked for a motion to approve the Regular Meeting Minutes of November 19 2019. Mr. Balderston so moved, Mr. Koenigsberg seconded and the motion carried 3-0 with Mr. Gardiner, Mr. Stroup and Mr. Kaelin abstaining as they were not seated on the BOF during the meeting

Election of Officers and Committee Appointments

Mr. Rutishauser reviewed the rules for election of officers for the board according to Roberts Rules. First position is for Chairman of the Board. Mr. Balderston nominated Mr. Rutishauser as Chairman for the Board of Finance. As there were no other nominations for Chairman, Mr. Rutishauser was elected Chairman by acclamation.

The next position was for Vice Chairman. Mr. Rutishauser nominated Michael Kaelin for Vice Chairman. As there were no other nominations for Vice Chairman, Mr. Kaelin was elected Vice Chairman by acclamation.

The next position was for Clerk of the Board. Mr. Rutishauser nominated Kevin Gardiner as Clerk. As there were no other nominations for Clerk, Mr. Gardiner was elected Clerk by acclamation.

The next position was for Trustee on the Investment Committee. Mr. Rutishauser nominated himself to continue as Trustee. As there were no other nominations, Mr. Rutishauser was elected Trustee on the Investment Committee by acclamation.

The next position was for BOF Representative as Trustee on the Pension Committee. Mr. Rutishauser nominated Stewart Koenigsberg as Trustee. As there were no other nominations, Mr. Koenigsberg was elected Trustee on the Pension Committee by acclamation.

The next position was for Trustee on the OPEB Committee that was previously held by Stewart Koenigsberg. Mr. Rutishauser nominated Michael Kaelin for Trustee on the OPEB Committee. As there were no other nominations, Mr. Kaelin was elected Trustee on the OPEB Committee by acclamation.

The next position is for the Board of Education Business Operations Committee (BOE-BOC). Mr. Rutishauser nominated both Peter Balderston and Chris Stroup as BoF Representatives on the BoE Business Operations Committee. As there were no other nominees, Mr. Balderston and Mr. Stroup were elected by acclaim as the BOF Representatives on the BOE-BOC by acclamation.

**Minutes have not been reviewed by this Board and may be subject to revision in future minutes.*

Public Comment

None

Proposal for the Purchase of a Demo to Replace Engine II Fire Truck and Request for a Supplemental Appropriation

First Selectwoman Vanderslice reviewed the Proposal for the Purchase of a Demo to Replace Engine 2 Fire Truck and Request for a Supplemental Appropriation (see attached). She noted that the BOS approved the use of BOS's 25% of the Charter Authority to put towards the purchase of a demo truck and are now looking to request the BOF to use its portion of the Charter Authority for the difference. Discussion between the board and Ms. Vanderslice ensued with Commissioner Casey Healy and members of the Fire Department. Motion by Mr. Rutishauser to provide up to \$130,400 of BOF's portion of the Charter Authority toward the purchase of Demo. After further discussion and review motion moved by Mr. Stroup, seconded by Mr. Balderston and carried 6-0.

Financial Update

Ms. Vanderslice gave a financial update to the board (see attached).

Audit Update

Ms. Vanderslice gave an update on the Audit to the board.

2020 Proposed Meeting Dates

Mr. Rutishauser reviewed the 2020 Proposed Meeting Dates. There was discussion on preferred dates for BOF meetings. Motion to set the January regular meeting date for January 21, 2020 at 7:30pm. Motion moved by Mr. Stroup, seconded by Mr. Gardiner and carried 6-0. Discussion on setting remainder of 2020 dates to second Tuesday of every month. Board to review, discuss and approve remainder of 2020 Regular Meeting Dates at next BOF meeting.

Committee Reports

Business Operations Meeting: No Meeting.

Pension Committee Meeting: Mr. Rutishauser updated the board to note that at the previous BOF meeting the update given on the Pension Committee Meeting was not from the Investment firm but was from the Actuarial Firm. Mr. Rutishauser further reviewed what was discussed at the meeting, including the fact that the Wilton Pension Fund was funded at 99.2% as of July 1, 2018, a very high funded rate for a public pension fund.

Public Participation

None.

Having no further business, the board voted to adjourn meeting at 8:40 pm.

Respectfully submitted,
Jacqueline Rochester
(from video recording)

FIRE ENGINE NEEDS

December 16, 2019

Two fire engines are within 2.5 years of the end of their 15-year life.

The department has two options, purchase or refurbishment

<u>Engine</u>	<u>End of Life</u>	<u>Replacement Cost</u>	<u>Refurb Cost</u>
2007 Engine 2 Pumper, housed at Station 2	FY2022	\$ 608,100	\$451,650
2007 Engine 3 Pumper, housed at HQ	FY2022	\$ 608,100	\$451,650

FIRE ENGINE NEEDS

December 16, 2019

Refurbishment, which adds seven years to the life of the engines 2 and 3, does not make sense

The per year cost of the refurbishment exceeds the per year cost to purchase by

\$24,000 per year before interest

- Purchasing both would require \$1,216, 200 of FY2022 bonded capital
- This amount is significantly higher than planned for in last year's 5-year bonded capital plan.
- **Another option is available**

FIRE ENGINE NEEDS

December 16, 2019

We have a unusual opportunity to purchase a 2019 Pierce Demo Pump Truck

Advantages of demo purchase:

- We can purchase the demo at considerable cost savings
- Pierce is a very high quality truck, preferred by the department
- Essentially the same layout of the existing Pierce trucks, allowing for rapid familiarization
- Dependable Pierce repair facilities nearby
- New engine will arrive with two year warranty
- Purchasing one now will separate the need for buying two new pump trucks at the same time in the future

Savings from Purchasing Demo Fire Engine Now from Operating Funds

versus

Purchasing a New Fire Engine in FY2022 with Borrowed Funds

	SAVINGS	NOTES
Purchase Price Savings-current dollars	\$ 110,750	\$440,343 versus \$551,093. Both net of trade-in
Avoided: Net Repairs & Travel Costs	\$ 32,000	Fire personnel inspect the engine twice during construction
Savings Subtotal	\$ 142,750	
Cost of purchasing 2.5 years early	\$ (73,391)	Based on 15-year useful life
Net Savings, before interest avoidance	\$ 69,359	
Avoided interest, if not bonded	\$ 66,881	Based on 10-year financing at 2%
Net Savings of Demo from Operating Funds	<u>\$ 136,240</u>	

FIRE ENGINE NEEDS

December 16, 2019

- **The purchase of the demo can be funded by:**
 - Board of Selectmen Charter Authority of \$310,000
 - Requesting Board of Finance Charter Authority of \$ 130,400
- **Are there risks to using Charter Authority?**
 - Revenues are already forecasted to be \$900,000 favorable due to collection of back taxes from one commercial property owner and current and expected receipt of the unbudgeted ECS grant
 - Based on the first six months of operations, we expect net BOS budget savings:
 - Fire Department, due to the chief and deputy chief vacancies
 - Police department budget savings due to up to five vacancies
 - The only expected non favorable budget is legal, which is less than the labor savings

FINANCE DEPARTMENT

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TOWN HALL
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Dec 16th 2019

To: Board of Finance

From: Anne Kelly Lenz

Re: FY 2020 Financial Reporting October 2019

Below I have listed the key items of the FY 2020 forecast versus the budget.

FY 2020 revenues are currently forecasted \$902,700 higher than the budget, mainly due to:

- Education – up \$550,200 due to State ESC funds that were received to true up the Excess Cost from FY 19 and receiving FY 20 ESC fund not budgeted.
- A delinquent tax case from Grand List was resolved and all taxes paid.
- Application fees for Environmental coming in higher than budgeted.

FY 2019 expenses are currently forecasted \$791,639 lower than budget, mainly due to:

- Charter Authority – savings of \$787,321. The Town agreed to fund the BOE Genesis program out of the FY 20 budgeted charter authority of \$1,255,321.