

Board of Finance
Regular Meeting -April 17th, 2012
Minutes

Attending:

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

Others: David Palmieri, Kathy Leeds, Bob Kelso, Andrea Falkner, Nicholas Pouliot, Lauren McLaughlin, Janice Hess, Lesley Keogh, John Keogh, Phillip Lauria Sr, Janet Crystal and Glenn Hemmerle (Wilton Library), Philip Damato (Tax Collector), Bill Brennan (First Selectman), John Savarese (Info Systems-BoS), Richard Dubow (BoS), Chris Kaiser (New Canaan IT director), Korey Wilson (Wilton Villager), Joan Lownds (Wilton Bulletin), Heather Borden Herve (Wilton Patch), Neil Gluckin (Ambler Farm), Paul Lourd, Rita Garland, Steve Hudspeth, Ed Papp, and Alex Ruskewich (Wilton Citizens).

Call to Order:

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

Approval of Minutes:

A motion was made by Andy Pforzheimer to approve the March 20, 2012 regular meeting minutes. The motion seconded by Gail Lavielle and approved unanimously.

A motion was made by Lynne Vanderslice to approve, as amended, the minutes from the Special Meeting with the BoS on March 21st, 2012. The motion was seconded by Jim Meinhold and approved unanimously. The minutes should be amended to reflect the following change as requested by Ms. Vanderslice. (Page 1, 4th paragraph the sentence beginning with “Ms. Vanderslice”..... Ms. Vanderslice added she had testified as to Wilton earnings on behalf of the BoF at the BoE Arbitration Hearing and in 2008, 60% of Wilton residents had an Adjustable Gross Income of less than \$200,000. Those taxpayers had experienced an average increase of .95% in

2008 and are estimated to have experienced a decrease of 1% in 2009. The 40% of taxpayers earning over \$200,000 experienced an average decrease of 18.6% in 2008 and an estimated averaged decrease of 20% in 2009.)

A motion was made by Lynne Vanderslice to approve the minutes of the Special Meeting for Mil Rate deliberations on April 3, 2012. Ms. Vanderslice clarified she did NOT make the comment “the BoE did a good job” and that line should be stricken from the minutes. The motion was seconded by Andy Pforzheimer and approved unanimously.

A motion was made by Jim Meinhold to approve the minutes of the Special Meeting for bonding resolutions held on April 4th, 2012. The motion was seconded by Gail Lavielle and approved unanimously.

Resolution regarding Mil Rate Calculation:

A motion was made by Mrs. Vanderslice to levy a tax of 21.0555% on the Net Taxable Grand List of October 1, 2011 and that the tax be payable one-half on July 1, 2012 and one-half on January 1, 2013, except for bills of \$100 or less, and for personal property taxes on automobiles, which shall be payable in one installment on July 1, 2012. The motion was seconded by Andy Pforzheimer and approved unanimously.

FY 2012 Suspense Tax Transfer:

Phil Damato, town tax collector, discussed the suspense list for uncollected taxes. These situations typically involve people who have moved out of state, bankruptcy (personal or business) or incomplete documentation for removal from the Grand List (ex. with a motor vehicle). The town still tries to collect items from the suspense list via collection agencies or other means. For the YTD 2012, \$7,000 has been collected ; \$3,400 in suspense items and \$3,600 in interest. The total suspense list from the past 15 years is \$330,00.

A motion was made by Gail Lavielle to transfer \$45,156 of uncollected taxes to the Suspense List. The motion was seconded by Jim Meinhold and approved unanimously.

Addendum to CLand P Agreement (Comstock Energy Improvements):

The BoF agreed that in the absence of Ms. Dennies from tonight's meeting, they needed more information on the topic. A motion was made by Lynne Vanderslice to table until the May meeting any discussion or voting regarding the Addendum to the CLandP agreement regarding Comstock energy improvements. The motion was seconded by Jim Meinhold and approved unanimously.

Public Comment on Proposed Bonded Capital Projects:

Bill Brennan introduced Chris Kaiser, the director of IT for the town of New Canaan. Mr. Kaiser was there in response to the BoF request to learn more about what other towns are doing with shared data linkage. New Canaan executed their data linkage in 2001 by laying conduit cable when roads were being opened up for various building projects. They connected police, fire, EMS, 5 schools, the library and the community center. He stated the cost was \$500,000 by working with the town while the roads were being opened.

Mr. Alper questioned what other alternatives were considered. Mr. Kaiser was uncertain as he wasn't working there at that time. Mr. Meinhold asked what was the driving force to commit to the project. Mr. Kaiser said stability, connectivity and cost savings from the lack of rental and maintenance expenses. There is currently a \$36,000 annual rental expense for the one school not online. Mr. Kaiser believes the benefits to shared data linkage are numerous and it's possible to keep adding on to the network. He indicated the 3 major positive components are: redundancy, emergency backup and communication network. During power outages there is no loss of phones or internet and they have 1,200 handsets of phones they can rollover in a power outage.

Mr. Meihold inquired about the cost savings, and Mr. Kaiser said it's approximately \$90,000 annually over the 26 buildings connected. Mr. Pforzheimer asked about the cost to maintain and who handles maintenance work. There is one vendor New Canaan uses for any major VOIP upgrades and most trouble shooting happens within the IT department. Mr. Kaiser is pleased with the vendor they use despite having limited need for help or maintenance over the years.

Steve Hudspeth, (Glen Hill Rd.) Wilton citizen, asked Mr. Kaiser if he would do the installation today and the response was yes, especially if the road is being opened. Ms. Vanderslice clarified the question by asking Mr.

Kaiser if he would do the installation today if there was a cost / benefit analysis confirming it was the right thing to do. Mr. Kaiser confirmed an analysis supporting the project would be needed.

Paul Lourd, (Old Boston Rd). raised his concerns about the project based upon his professional background in IT for a major corporation. His concern is the proposed \$1.65million is only the tip of the iceberg from a cost perspective, that's only wire being laid in the ground and the generator for the library. To deliver all the proposed features will require a higher cost and he'd like to know what is the total cost and ROI. Wilton shouldn't do the project just because other towns are doing it. He believes fiber is not the only way to go and there are other alternatives. It's important to look at the total cost of the end game.

Another citizen with years of professional experience at ATT spoke up saying it's very easy to switch over to VOIP and many of his customers have done so over the years.

John Savarese clarified this project would be a culmination of a decade of work by linking all the pieces together and by linking buildings there is a cost savings.

Mr. Pforzheimer said the BoF still believes it's missing, despite several requests over the past few months, a simple analysis of: 1.) where we are now, 2.) where we want to be, 3.) what is the cost to run with the current set-up vs. the cost to run with the proposed linkage, 4.) what is the final cost 3 years from now? Ms. Lavielle echoed the thought asking for the cost comparison to if we stayed with the current program and a Return on Investment Analysis. Ms. Vanderslice confirmed the BoF has made this analysis request since February.

Mr. Brennan responded the BoS clearly believes they have the data, which supports the project and have already given it to the BoF. He asked the BoF request very clear specific data on what they still want.

Mr. Serenbetz asked Mr. Brennan on the timing with Yankee Gas. There are still 4 easement issues for the gas lines Yankee Gas is trying to resolve directly with the homeowners. They are hoping to do the work this summer and it will take a few months to complete.

(Public Comment on all bonding issues was opened at this time)

Rita Garland (Middlebrook Farm Rd) raised her concerns about the fiber-optic project saying she believes the homework hasn't been completed and this project is not ready for the ballot, maybe in 2013 but not now. She supports putting in the conduit now and taking advantage of Yankee Gas opening the roads but doesn't want to move ahead with the project as it's not ready at this time.

Steve Hudspeth (Glen Hill Rd) thanked the BoF members for their service. His concern is not taking advantage of the fiber optic project while the opportunity is presenting itself now with Yankee Gas opening the roads. He believes it would be a lost opportunity if the project is not pursued. Some parts can't be quantified and will remain subjective savings and he thinks targeting a ROI is difficult in this type of area. Regarding the road paving bonding, he believes it is a "no-brainer" and addresses the problem now while taking advantage of the low bonding costs. It's been 4 years since Wilton's last bonding issue and if it's not done now it will cost more in the future.

Glenn Hemmerle (Collinswood Rd) disclosed he is a trustee of the Wilton Library but speaking as a citizen. He believes by seeing how other towns have done the fiber optic project the question to ask is what do they know we don't. He thinks we are already 11 years behind New Canaan and if we don't take advantage of the Yankee Gas opportunity it will not come around again for a long time. Regarding bonding, he believes in 2-3 years interest rates will rise and the ability to bond the project could be another lost opportunity. He thinks we should act now and not pass on the opportunities.

Ed Papp (Walnut Place) applauded John Savarese for his IT work for the town and on this project. Mr. Papp is concerned the town doesn't have the money to pay for the fiber optic and there are other alternatives to explore.

Bill Brennan spoke about bonding the road paving. He stated most towns in the area bond their road paving as capital expenses. This would exclude the approx. \$90,000 annual maintenance / pot hole repairs which are operating expenses. The BoS has now established an official policy that the road restoration plan over the next 5 years will be a bonded project, rather than an item under operating expenses, which is where it has been in previous years.

He summarized his comments by saying the proposed bonded capital projects are how the BoS envisions to meet future goals and the need to invest in Wilton. Further delays will cost more in the future and he asked the BoF to endorse the projects.

At this time Chairman Serenbetz began the voting process for the proposed bonding projects.

A motion was made by Andy Pforzheimer to endorse the bonding of \$250,000 for Ambler Farm renovations / improvements. The motion was seconded by Al Alper and approved with 4 “yes” votes. Mr. Meinhold recused himself from the vote and Ms. Vanderslice abstained.

A motion was made by Al Alper to endorse the bonding of \$695,000 for the acquisition of an engine-tanker fire truck. The motion was seconded by Andy Pforzheimer and approved unanimously.

Regarding the proposed roof repairs at Comstock, Mr. Pforzheimer commented of all the proposed projects he saw this as the biggest need. A motion was made by Jim Meinhold to endorse the bonding of \$836,000 for roof repairs and the installation of a generator at the Comstock Community Center. The motion was seconded by Gail Lavielle and approved unanimously.

Regarding the proposal for the \$2.8million on school projects, there was disappointment by all BoF members that the proposal from the BoE included A/C installation in the Middlebrook auditorium. Mr. Meinhold believes the A/C is a luxury item, which wasn't necessary but it was lumped in with other repairs which are needed so it would be difficult to reject the entire proposal. Mr. Alper agreed saying it was wrong to combine the A/C project in with other projects. Ms. Vanderslice said she was disappointed the BoE requested everything together in one line item. Mr. Pforzheimer commented there was no note by the BoE mentioning they would try and increase the cost to outside users of the auditorium, especially since that area gets limited school use during the warm weather months to justify the cost.

A motion was made by Jim Meinhold to endorse the bonding of \$2.8 million for various school projects including bathroom renovations, roof repairs and A/C in the Middlebrook auditorium. The motion was seconded by Lynne Vanderslice and approved with 5 “yes” votes. Mr. Alper abstained.

The discussion on bonding the road paving began with Mr. Alper stating he thought this proposal was the most well thought out of all bonding projects. Mr. Meinhold believes the work needs done but has an issue with how it's financed. He doesn't believe an annual expense should be funded with bonding. He stated there is a cost added to the project every year with bonded. Ms. Vanderslice agrees with Mr. Meinhold and commented it is ironic this year there were funds available in the budget because the mil rate is lower than anticipated. Mr. Pforzheimer believes bonding is the right way to go and the \$650,000 in the operating budget for road paving doesn't / hasn't covered the road issues over the years and this amount seems to get moved from one area of the budget to another as needed. Ms. Lavielle is OK with the bonding of the roads stating the town hasn't been able to keep up the pace to repave the roads as needed. Mr. Serenbetz agrees with bonding for the roads especially with the current low interest rates, which will keep relatively small any added cost.

A motion was made by Al Alper to endorse the bonding of \$3,329,800 for road restoration. The motion was seconded by Andy Pforzheimer and approved 4-2. The two "no" votes were cast by Ms. Vanderslice and Mr. Meinhold.

Discussion on the \$1.675million fiber optic project began with Mr. Meinhold commenting there was a strategic element to the project and most likely soft benefits would prevail over time, however, the BoF was hoping for more tangible benefit information and he's still not convinced it's right to pursue. Ms. Vanderslice believes it's right to take advantage of the timing with Yankee Gas and only lay the conduit, at a projected cost of \$250,000 and execute only that piece. She doesn't think there is enough information to pursue the next steps. She suggested a request be made to the BoF to access the Charter Authority for the \$250,000 to cover the cost of laying the conduit when Yankee Gas is opening the roads. Mr. Pforzheimer agreed with Ms. Vanderslice and Mrs. Garland saying he doesn't want to miss the opportunity with Yankee Gas and the request should be made to access the Charter Authority, but there is not enough information for long range plans to justify the cost. There needs to be a ROI and a better thought out plan.

Ms. Lavielle is uncomfortable with the current information. She agrees with dropping in the conduit but believes it's irresponsible to move forward without more savings / tangible benefit information. Mr. Alper has grave concerns and would like to recommend the town vote down this proposal

stating it's a solution in search of a problem. He also reiterated the BoF had requested to get more information for several months as there is a need to show tangible value to the town. He believes this proposal has not been thoroughly thought out / presented. Mr. Serenbetz commented there is a need to identify what is the value to the town in a tangible way and this question has not been answered. That being said, the BoS has unanimously approved this project so now the BoF needs to determine how to proceed. At this point there was much discussion and how to present this project to the town.

A motion was made by Andy Pforzheimer to endorse the bonding of \$1.675 million for construction of the Wilton Shared Data Link project. The motion was seconded by Lynne Vanderslice. The vote was 1-2 with 3 abstentions and was deemed by the Chairman inconclusive due to the abstentions. Mr. Serenbetz voted "yes", Ms. Vanderslice and Mr. Alper voted "no" and Mr. Pforzheimer, Mr. Meinhold and Ms. Lavielle abstained.

A motion was made by Lynne Vanderslice to NOT endorse the bonding of \$1.675 million for the construction of the Wilton Shared Data Link project. The motion was seconded by Al Alper. The vote was 2-1 with 3 abstentions and was deemed by the Chairman inconclusive due to the abstentions. Ms. Vanderslice and Mr. Alper voted "yes", Mr. Serenbetz voted "no" and Mr. Pforzheimer, Mr. Meinhold and Ms. Lavielle abstained.

A motion was made by Gail Lavielle that the BoF does not have enough information to endorse the proposed bonding of \$1.675million for the construction of the Wilton Shared Data Link project. The motion was seconded by Andy Pforzheimer and approved unanimously.

Committee Reports:

None

Other Business:

Mr. Meinhold said he was prompted by an email he received that information on all the proposed bonding projects should be posted on the website and available to the public.

Public Participation:

The question was raised wouldn't it present a problem if the road paving project was voted down. The answer was yes, it would be a problem as the operating funds for that line item has been removed from the budget.

Mr. Hudspeth inquired if the ROI and other information was made available regarding the fiber optic proposal would the BoF call a special meeting to consider changing its' opinion and the answer was that it was possible.

Adjournment:

The meeting was adjourned at 9:30pm

Respectfully Submitted,

Amy Roberts
Recording Secretary