

BOARD OF FINANCE
BUDGET MEETING – April 3, 2018
WILTON TOWN HALL MEETING ROOM B
7:30 P.M.

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TOWN OF WILTON

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BY: LK

PRESENT

Board of Finance: Jeff Rutishauser, Richard Creeth, Peter Balderston, John Kalamarides, Walter Kress, Stewart Koenigsberg

Others: Members of the Board of Selectmen, Board of Education and members of the public and press

Chairman Jeff Rutishauser called the meeting to order at 7:30 p.m. Mr. Rutishauser announced that each member of the Board would give an opening statement before deliberations and discussion of the mil rate with a continuation on April 4, 2018 for the resolutions. A brief summary of each Board of Finance member's comments follows.

Walter Kress: Thanked the boards for the tremendous amount of work done in preparing the budget. Thanked the community for their input and feedback given. He noted that guidance given to the BoS was different than the guidance given to the BoE. He noted that it was not accidental but thoughtful, deliberate in thinking of what had been accomplished in the past. Mr. Kress noted that the BoE should be looking at per pupil expenditures when analyzing their budget.

Richard Creeth: Echoed comments made by Mr. Kress and noted that the BoF Finance was not really helped by the community based on turnout at the Public Hearings held. He noted that the BoS budget came in below the guidance given by the BoF and is comfortable with that. Mr. Creeth encourages the BoE to continue to try on focus on cutting down on Administrative costs. He complimented the Boards on combining the CFO and the Facilities positions for the Town and BoE as well as the collaborative budgeting process. He encouraged the BoE to continue to focus on the financial model and using to drive the budget going forward. After commenting on both budgets, Mr. Creeth stated that he was comfortable with budgets as presented by the BoE and the BoS.

Peter Balderston: Noted that he was dumbstruck by the first few slides (which he reviewed) given by First Selectman Vanderslice at the BoS Public Hearing on the budget. Mr. Balderston offered praise to the BoE for their continued willingness over the past year to examine and deliver budget savings in response to chronic year over year enrollment decline. He also commented on the shared services of the CFO with the Town which has reduced the Town's staffing cost and facilitated a highly constructive dialog between the BoE and the BoF. He also commended the BoE for deepening the relationship with the BoF through the Business Operations Sub Committee. He noted that original guidance given to the BoE in October of 2017 of a 1% increase is the right balance at this time with enrollment decline, elimination of SALT and tax deductibility and the crisis in Hartford.

Stewart Koenigsberg: Noted that he was impressed by the professionalism and the thoroughness of the efforts put in by the Boards and departments in putting together the budget. He gave kudos to BoE/BoS double duty of CFO. He noted as the State of CT is in tough shape, the Town should be disciplined, not necessarily cutting expenses but be more disciplined. Mr. Koenigsberg reiterated thoughts of board members who noted BoE should be looking at per pupil expenses when looking at BoE budget.

John Kalamarides: Question is more difficult than in prior years. How can provide needed funds for the Town and for the schools and improve the quality of life and schools in view of loss of funds from the state. Mr. Kalamarides supports the BoE budget. He noted that he would put forth a vote to add \$50,000 back to the BoS budget for the library.

Jeff Rutishauser: Noted that external factors not favorable; state cut backs for municipal and educational aid, potential funding of a portion of state teacher's pension fund, several years of soft real estate prices in town, nearly flat grand list growth, CT economy in pretty bad shape, unknown impact of SALT limitation on high priced homes. He noted that not all has hit the town, but if some do, cannot count on help from the State or Federal government. He also noted that the BoS budget is 25% of the budget and has been flat – down in headcount and up barely and modestly in cost position. Reduction of headcount over the last 3 years due to smart personnel management and sharing of senior executives with the BoE is smart, both for the BoS and the BoE and have cooperated well together. The BoE is 64% of the budget. He noted that the 1% increase given to BoE was not an arbitrary number but was calculated as a 2.7% per pupil expenditure combined with a projected decline of 70 students in the K-12 which is a 1.7% decline. He stated that as a Town, cannot spend in excess of the Town's resources. This coming year any Town spending in excess of 65 basis points, which is grand list growth represents a tax increase on existing property. Coming in to tonight the mil rate is just shy of 2% and need to address that gap.

Discussion of the Budgets

Estimated Revenues:

\$4,458,789: Motion made by Mr. Creeth to accept the numbers for estimated revenues. Mr. Balderston seconded. After discussions motion made by Walter Kress to reduce by 25%, seconded by Mr. Creeth and carried 5-1 with Mr. Rutishauser against.

Debt Service:

Debt service for the coming year is \$10,921,767. Motion made by Mr. Balderston to approve debt service. Mr. Creeth seconded and the motion carried 6-0

Tax Relief for the Elderly and Disabled:

Tax relief for the elderly or disabled is estimated at \$1,150,000 including an adjustment of an additional \$50,000 as recommended by the BoS. Motion made to add the additional \$50,000 moved by Mr. Balderston. John Kalamarides seconded and the motion carried 6-0.

Ending Fund Balance:

Mr. Balderston moved that ending fund balance be set to \$15,762,589. Mr. Koenigsberg seconded and the motion passed 6-0.

Grand List Tax Collection Rate:

Mr. Kress made a motion to set the Tax Collection Rate at 99.3%. Mr. Balderston seconded and the motion carried 6-0.

Board of Selectmen Operating Budget:

Mr. Rutishauser asked for a motion that the Board of Selectmen's Operating Budget be \$32,319,728. Mr. Kalamarides recommended a motion that the \$50,000 for the Library be added back into the budget. Motion seconded by Mr. Creeth. After discussion, Mr. Kalamarides motion was voted on and defeated 2-4 (Kalamarides and Creeth in favor, remaining against). Motion put forth by Mr. Balderston to approve the Board of Selectman's budget as submitted for \$32,319,728, seconded by Mr. Koenigsberg and carried 5-1 with Mr. Kalamarides opposed.

Board of Selectmen Operating Capital Budget:

Mr. Rutishauser asked for a motion that the Board of Selectmen's Capital Budget be \$1,182,271.

Motion made by Mr. Creeth to accept the Capital Budget as stated. Motion seconded by Mr. Balderston and carried 6-0.

Board of Education Budget:

Mr. Rutishauser asked for a motion that the Board of Education budget be \$82,376,563. Motion made by Mr. Kalamarides to accept the Board of Education budget as proposed. Motion Failed. Mr. Balderston made a motion to approve a BoE budget with a 1% increase over last year. Motion seconded by Mr. Kress. Mr. Creeth noted that such a steep cut from the budget would be catastrophic for the district and hurt real estate values. Discussion ensued among the board members regarding the proposed BoE budget. After discussion a new motion was introduced by Mr. Balderston to cut the proposed increase by \$650,000 which translates into a year over year increase of 1.43% with new number being \$81,726,563 for the BoE budget. Motion seconded by Mr. Kress and carried 4-2 with Mr. Creeth and Mr. Kalamarides opposed.

Mil Rate:

With the above approvals, the Mil rate is anticipated to be an increase of 1.47% over last year but will be voted on the following night.

The official Resolutions will be discussed at the April 4, 2018 meeting.

Mr. Rutishauser then called for an adjournment to the meeting and to reconvene on April 4, 2018 at 7:30PM when numbers have been updated and the resolutions ready to go. Meeting adjourned at 10:30pm.

Respectfully submitted,

Jacqueline Rochester
(from video recording)