

Board of Finance  
Special Meeting /Public Information Session  
Wilton Public Library  
12/9/10  
Minutes

**Attending:**

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

Others: There were approximately 40-50 people from the community in attendance, including a few members of the BoE / administration. Those in attendance were invited to write down their email addresses if interested in receiving a copy of the presentation.

**Call to Order:**

Chairman Warren Serenbetz called the meeting to order at 10:30am.

**Budget Overview:**

Mr. Meinhold began the presentation with an overview of the current budget to educate the public on what factors go into the budget. He explained the major expenses were the BoE budget (\$70.3 million), the BoS budget (\$28.8million) and debt service of \$8.5million. In addition, the Charter Authority, which serves as an emergency fund is targeted at 1% of operating expenses.

The revenue side of the budget includes property taxes (the Grand List), state reimbursements, permits and interest income. There is also a required Reserve Fund, which is to be a minimum of 10% of the town's total operating budget. If one of these expense / revenue items moves there is an overall impact.

The mil rate calculation is the property taxes required divided by the grand list times 1,000.

Mr. Meinhold then discussed how the projections were prepared but stressed the projections do NOT mean an approved budget, they only serve to forecast different scenarios.

The projections were determined by starting with a 3% mil rate increase, which was the consensus / compromise of the BoF members. Many individuals at the state and local levels were polled for input and surrounding town mil rate increases were studied. No town was higher than a 5% mil rate increase and Wilton was very close to its direct neighboring towns.

Mrs. Vanderslice then discussed the drivers of the projections including the projected grand list growth over the next 3 years (.35% - 2012, .5% - 2013 and .35% - 2014). It's also projected revenues from the state will decline, the Charter Authority will be needed to some extent in all years and the Fund Balance will be brought down to it's minimum of 10%, which means any excess reserves are no longer available to reduce taxes.

The resulting mil rate increases, according to this model, are 3.014% for 2012, 3.004% in 2013 and 2.987% in 2014. The model was first run using a 3% mil rate and estimations of all revenues and expenses except for the BoS and BoE operating expenses. The model then solved for these two expense areas which resulted in a 0.8% increase, which some BoF members acknowledged to be unrealistic."

There are short term and long term options available to impact the mil rate ranging from changing the level of services to lobbying Hartford and Washington D.C.

Mr. Pforzheimer clarified the importance of this model shows there is a "push/ pull" effect on each of the numbers and scenarios.

### **Q & A :**

Mr. Serenbetz opened the meeting to questions and answers. The first few questions were related to population and estimated number of children in Wilton schools for the model and projections. The assumption is flat population and minimal impact of Avalon project on school enrollment and population numbers.

A question was asked about who does the negotiating with the teachers union and are any assumptions related to these discussions in the model. Mr. Serenbetz answered the model includes no union assumptions and both the BoS and BoE have teams put in place for the negotiating. The BoF members acknowledged that often hands are tied with unions due to the arbitration process. There is some thought the next union contract, due for discussion in 2011 might provide some concessions due to the current economy.

Another question was about pension funds. The towns pension funds are funded at the actuarial required level with another 15-20% added based on a formula established by the BoF. The town and schools have been successful at switching new employees of some of the unions over to a defined contribution plan.

Unfunded mandates were discussed. When advance notice is given, which is usually the case, they are included in the budgets. The BoE has more of the unfunded issues than the BoS. Dr. Richards gave some examples of unfunded and under-funded mandates for the schools. Interestingly, the original promise by the federal government when Special Ed was mandated was a 40% reimbursement from the feds, which has historically never been more than 17%.

Mr. Serenbetz pointed out CT is the only state in the union that requires the school system prove special needs services are adequate or not compared to the burden falling on the parents to prove it's incorrect. This law requires a great deal of time and manpower from the schools to manage the cost impact.

Mr. Meinhold reviewed the entire budget process and the timing. Mr. Pforzheimer summarized the 3 questions he is asked most frequently:

- 1.) Where does the 3% mill rate come from and how does it compare to other towns? - we are no different than surrounding towns. (Greenwich is 2-4%)
  - 2.) How can a citizen influence the decision? - write, call, letter to the editor
  - 3.) What happens if a citizen doesn't like the decision? - Vote "no- too low", remember the BoF members are elected officials so vote accordingly.
- He also mentioned that there are private foundations which can be supported, ex. WEF.

Mrs. Vanderslice stressed the importance of a large number of people needing to be vocal and giving their input as all thoughts and comments are reviewed and considered. The BoF members reminded the public their meetings are televised, with the exception being meetings not held in Room B of Town Hall.

Other questions and answers covered how the decision is made to bond capital expenditures, is there any recourse back to the state for unfunded mandates and a reminder that by state statute the \$70 million in the school budget cannot be reduced except under very limited circumstances.

### **Public Comments:**

Marilyn Gould stated the reality of today's economy is that everyone has to do more with less and she hopes both the BoS and BoE will do the same.

Alex Ruskewich had 3 points: 1.) CT is the one of the 10 worst states for retirees 2.) CT has the 3<sup>rd</sup> highest tax rate in the country and 3.) Wilton is higher than neighboring towns with education costs. He believes what other towns have done to bring school costs down should be publicized and perhaps the special needs requirements could be shared with other towns.

Ken Dartley asked the BoF to consider when budget information is received the schools, parents and PTAs get "the drum beat going early" but the senior citizens don't have the same type of organized capabilities. There will likely be a higher percentage of parents who are vocal than senior citizens.

Elizabeth Etcbach countered Mr. Dartley's comment by saying the BoF should realize every voice is a voice and if maybe more parents are heard that's the majority who care enough to be more vocal.

Another citizen (name not given) inquired how parents could volunteer more to relieve the financial burden. It was suggested she convey her idea to the BoE.

Gary Richards thanked the BoF for their efforts to start the budget dialogue early. He stated the community has to decide what it wants and what it will pay for and the boards will follow accordingly.

**Adjournment:**

The meeting was adjourned at 12:00pm.

Respectfully Submitted,  
Amy Roberts  
Recording Secretary