

**BOARD OF FINANCE/BOARD OF SELECTMEN
SPECIAL MEETING – MARCH 16, 2021
HELD ELECTRONICALLY**

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

GUESTS: First Selectwoman Lynne Vanderslice and members of the Board of Selectmen, CFO Anne Kelly-Lenz

Call to Order

Chairman Jeff Rutishauser called the meeting to order at 8:00 pm.

FY2022 Budget Discussion

Mr. Rutishauser complimented the BOS on the FY22 budget request documentation. Ms. Vanderslice reviewed the answers to the attached questions received from the BOF. Mr. Koenigsberg recommended FY2021 compensation reductions for the First Selectwoman, Superintendent of Schools and for any employee be reinstated. Mr. Stroup recommended to the BOS that anyone that had to forego compensation last year should receive that compensation and further that there should be some consideration given to a COVID bonus for extraordinary service to the town during this difficult year.

Ms. McFadden (BOS) motioned to reinstate compensation reductions during COVID and to consider bonuses. Ms. Vanderslice (BOS) added to the motion 'during FY20 - FY21 and use FY21 savings.' The BOS motion was seconded by Mr. Tartell and carried 4-0 with Ms. Vanderslice abstaining. Item to be discussed at a future BOS meeting.

Anne Kelly-Lenz and Ms. Vanderslice reviewed the attached Mill Rate model with the BOF and addressed questions. Mr. Rutishauser thanked the BoS for their help on the budget this year.

Public Comment

None.

At the conclusion of all questions and answers, there being no further business, Mr. Rutishauser asked for motion to adjourn the BOF at 8:50pm. Motion moved, seconded and carried 6-0.

Respectfully submitted,
Jacqueline Rochester
(from video recording)

Questions for BOS – FY22 BOS Budget (Rutishauser)

- Salaries/Wages up about 4.12% while insurance is down 11.82% Medical insurance decline is a one-time event while salary increases are annual. Should the underlying salary increase rate of 4.12% be concerning for the future? **No, for three reasons:**
1-Over the last 6 years, a significant number of employees have retired. When replaced, those retired employees were replaced with employees at a lower wage rate. Newer union employees receive both a general wage increase and an annual step increase as they gain more work experience. Once they reach the top step, they receive only a general wage increase. Therefore those newer employees receive increases greater than the 2 to 2.25% budgeted for FY2022. Again, those increases are on a lower base.
2-Over the last 6 years, as positions became vacant, either through retirement or other departures, we examined the positions and determined if the positions could be eliminated or combined with another position, either within municipal government or the schools. We have eliminated a number of positions through this effort, including significant management positions, Finance Director for the School-now a shared CFO with the BOE and BOS budgets sharing the cost 50/50. Greater savings achieved by the schools as joint CFO compensation was less than that of the Finance Director, DPW Director-consolidated the DPW Director position with the existing Facilities Director position, Schools Facility Director-Town DPW and Facilities Director provides the function to the schools for a stipend, which is paid by the BOE.
3-the 4.12% increase includes pandemic restored wages and the difference in budgeted vacancies as follows:
 - Annual wage increases 2.75%
 - Swim Program wages not incurred last year due to pandemic .60%
 - FY21 budgeted vacancy savings in excess of FY22 vacancy saving .67%
 - Reinstate First Selectwoman temporary salary decrease .21%
 - All other (.11%)
- With Interest Rates rising, is a \$10,000 increase in interest too conservative? **Investment income is forecasted to be underbudget for FY2021. All revenue recommendations will be reconsidered in advance of BOF deliberations based on the most recent information available.**
- Of the \$550,000 in Building Permits budget, what percentage are known projects? **The amount is a recognition of the expected increase in revenue due to known potential projects based on P&Z activity and discussion with potential applicants. There is no certainty that any of these potential projects will end up filing for a building permit, but greater activity is a reasonable budgeting assumption.**
- Are we very confident that we will receive \$462 K in ECS this year? **Yes, both the Governor and Legislative leaders have indicated we will receive the grant. We have been receiving the expected funding this year.**

- There are numerous line items of lower medical insurance costs. IS this the one-time adjustment of the medical savings so that next year, it will be about the same as this year? You may recall from the FY2021 budget discussions, we were uncertain whether we would achieve union agreement to move to the State Partnership Program. As such, our approved budget included 50% of the possible savings of that.

All unions moved to the State Partnership Plan as of July 1st. The FY2022 reductions are the balance of the savings due to that move plus any favorability due to changes in employee selection, reduced by the 3% premium increase for FY2022.

As a result of the move, our base cost for medical benefits was reduced by approximately 20%. The FY2022 premium increase of 3% is on that lower base and is much lower annual increase than we had been experiencing. With more towns and boards of ed moving to the state plan and the state likely subsidizing the plan, it is hard to predict future premium increases. So far the move to the Plan has been favorable all around.

- HR Salaries – Full Time went up \$33,400, or 20%. Seems too large for an annual salary increase. Was a new person added to HR staff? A much-needed position has been in past budgets for a number of years, but the position hasn't yet been filled. Last June, we expected the hiring would be delayed because of the pandemic and budgeted the position as of January 1, not July 1.
- Finance Dept – What is \$50,000 for Misc. Contractual Services for? One-time cost? This will be discussed.
- Info Systems - \$70k for "Temp Help - Outside Agency" Isn't in-house easier and cheaper? This is projects specific to catch up on the backlog that occurred this year because resources were focused on pandemic specific tasks. We have two full-time positions in IS. Otherwise, we utilize consultants with specialized skills or temporary help with less specialized skills for specific tasks. This approach results in better outcomes at a lower cost. We don't have the workload to justify the variety of full-time staff to obtain the variety of skills required.
- Health Dept – Full and Part-Time Salaries up a combined \$53,500 - 15% overall. Seems like a big increase. Why? Additional personnel and hours to address the pandemic. Based on information we are just receiving about the American Rescue Plan; we expect some or all of these amounts may be covered by the local or county grant. Detailed instructions on eligible expenses won't be received for 90 days, but we are currently identifying potentially eligible expenses in the FY2022 budget. We expect to provide those amounts to the BOS at our April 5th BOS meeting and present to the BOF at your April 6th meeting.

- Other Consulting Services (011-08-3105-59626) is \$50k. What for? **This will be discussed.**
- Why is Salt up 99,600? Did we use up this year's supply? **Because of the warmer weather, we had an oversupply at the end of FY2020. We used the oversupply in FY2021.**
- Why is Rent – Equipment Trees up \$70k? Is \$125k the “new normal”? Is this storm related or regular trimming? **The account title is a misnomer. This is the outside contracting for tree removal. Yes, we have increased the budget to \$125,000 per year. Although we have increased the budget over the last few years, the Town has historically under budgeted tree work. There is a greater urgency to address this due to residents’ increasing reliance on the internet.**
- I thought BOS was going to use some of the FY21 surplus to fund the Master Plan and zoning changes, etc.(\$150,000). Why is it in the FY22 budget? **\$100,000 is assigned in the general fund balance. That amount was developed based on the expectation that the work it funded would supplement the planning work being done by P&Z working group themselves. That working group has determined the scope is too much for volunteers. P&Z Chair and Director of Land Use Management/Town Planner have identified and requested a total of \$250,000 for the Wilton Center/Surrounding RT 7 master planning. Hence the additional \$150,000.**
- Looks like we bought a Paramedic Fly Car in 2020. Are we buying another one in FY22? **Yes, there are two.**
- What's an Excavator (\$140,000) and why is it needed? Do we have one now? Do we need our own or could we pay/share cost with a neighboring town? **A picture of an excavator is shown on this link: https://www.cat.com/en_US/products/new/equipment/excavators.html The excavator is a multi-use, year-round piece of equipment. Uses include rebuilding road drainage systems at the time of road paving, trenching, loading salt into the plow trucks for winter plowing, loading other materials into trucks and assisting with tree and debris road clearing after a power outage. It can't be shared with another community, as the demand is too high within Wilton itself.**
- What is the difference between Parks & Rec Trailer for \$3,500 in the Operating Budget and the Parks & Rec Trailer for \$12,000 in the Operating Capital Budget? **Two different sized trailers. Because operating capital can be carried over for up to 5 years, smaller cost items are generally included in operating expenses.**
- Do Dial-A-Ride fees cover costs? If not, what is the shortfall amount? **Dial-A-Ride is a social service and is not intended to operate at breakeven. The charge is nominal for**

each trip. Budgeted revenue is \$4,000. The State provides an annual grant of approximately \$25,000, which is budgeted in Other Town Grants. Operating expenses are budgeted at \$168,000. The State provides grants for the purchase of the vehicles.

- Is there money in budget to expand/enhance cybersecurity? Don't need to answer if it is not to be discussed in public. Yes, budget includes monies to fund necessary cybersecurity.
- What is status of police radio upgrade? I recall hearing a total cost of \$2 million or sharing with state at higher cost? Is there any of that cost in FY22 budget? The project you refer to is a required replacement of the public safety radio system, used by police, fire, EMS and adding DPW. Last year's 5-year capital plan reflected a bonding request at this May's Annual Town Meeting. That request has been delayed for several reasons:
 - It may be that the project is an allowable expenditure under the American Rescue Plan local or county grant.
 - There are two options for the system, which are undergoing further investigation and refinement : Option 1, essentially an upgrade our own system has a cost of approximately \$2.5 million. Option 2, join the State network at a cost of approximately \$4 million.
 - We are collaborating with another adjoining town that is also required to upgrade their system.
 - If the project isn't eligible for grant funding, it will be recommended for this November's ballot.

I refer to comment below:

In FY2019 to FY2021, actual results were under budget. A sizable portion of that savings was due to temporary cost avoidance from vacant positions. Vacant positions are typically replaced at a lower salary. FY2022 through FY2024 assume all vacancies are filled.

What is the impact on Town services if the vacant positions remain unfilled?

Generally when a position, other than a police officer or a firefighter, becomes vacant we assess the position and determine whether the job functions can be performed by an existing employee (Town or BOE) or at less hours per week or in a different manner. This process results in a lag time between the vacancy occurs and when it is filled, assuming it is ultimately filled. Depending on the position, the job responsibilities may be performed by an existing employee assuming an action position, a temporary employee or added to the responsibilities of an existing employee with any necessary increase in hours worked.

In the last five years at least the following positions have been eliminated or consolidated:

- Town CFO and School Finance Director consolidated. Cost shared 50/50*
- DPW Director and Facilities Director-consolidated*
- DPW Director/Facilities Director and School Facilities Director. School position eliminated. Stipend paid by Schools to DPW Director/Facilities Director*
- Secretary-First Selectwoman's Office-eliminated*
- Town Payroll Clerk and Bookkeeper-consolidated*
- Police Officer-eliminated*
- Part-time Tax Season Clerk*

The level of staffing and required overtime in the police and fire departments is regularly reviewed. The rationale and justification for the current level of staffing has been presented to the BOF twice in the last 5 years and can be provided again in a future meeting for the benefit of new members.

Vacancies in police and fire union positions are covered through overtime until the position is filled. Both departments experience a lag between the time a vacancy occurs and the filling through a new hire or a promotions because

- New hires may need attend the police or fire academy so the timing of the hire must be coordinated with the availability a spot at the academy and the timing of that session*
- Both departments require testing of candidates for certain positions as part of the hiring or promotion process.*
- Many of the positions in these departments are filled through promotion, the promotion can set off a chain of vacancies. For example, the retirement of a captain, may result in the promotion of lieutenant, which then creates a new vacancy in the lieutenant position. A fire fighter may be promoted into the lieutenant position, creating a vacancy in the firefighter.*

I still don't understand why we have a fully paid vs volunteer town fire department. Isn't there a hybrid model that will

reduce costs and increase community involvement? Along those lines, in the past we have discussed the rationale for 100% full time paid fire department personnel to include the need for our fire department personnel to frequently provide services at the for profit, assisted living facilities in town. These increment costs which benefit those for profit businesses, are disproportionately borne by the rest of the Wilton taxpayers who generally don't have the need for specialized services. I understand that those facilities also pay real estate taxes, but if my house alarm goes off more than one or two times, there is a penalty charge. If the town needs incremental specialized resources in order to deal with the specialized needs of those institutions, why aren't those costs borne by those institutions, and at same time transition to a hybrid model including volunteer and paid leadership, core and specialized personnel.

Over the last dozen or so years, Fire Districts across CT and the country have experienced a decline in volunteers. A report issued by the Nation Fire Protection in 2018 indicated that that across the country fire volunteers were down 16% from 2015. Current estimates put the decline at over 22%. The same is true for volunteer in other public safety areas. WVAC and the Georgetown fire district both hire profession EMS personnel to cover their daytime shifts.

Reasons for the decline include the extensiveness of the technical and physical training and an increasing unwillingness of employers to allow volunteers to take time off from the paying jobs to train and perform their volunteer duties. Because of the nature of the job, almost one-third of volunteers are under 30 and only 15% are over 50.

Wilton C.E.R.T. has an active group of volunteers, but most are of an age that they wouldn't be potential candidates for volunteer firefighters.

The Town has retained the right to have volunteers and the Fire Commission has periodically considered the subject. Building a volunteer component would require an investment by the Town, based on the Town's demographics, the decline in volunteers experienced by Wilton non-profits and the decline in the firefighters experienced locally, there hasn't been a decision to invest in volunteering.

2. Have you done any bench marking of our town services in terms of size, spending and priorities with other towns. What metrics are used if such bench marking exist? What recommendations have come out of those?

Yes. Generally Wilton's department level spending and salaries are in the mid or low range of neighboring towns. None of the neighboring towns are sharing services between the Town and the schools at the level that is happening in Wilton.

Department heads and the first selectwoman have regular discussions or meeting with their counterparts in the area. The first selectwoman informs her decision making by reviewing the detailed budgets and the CAFRs of surrounding communities.

3. Interest rates are increasing. Is there any bondable spending that is contemplated at any point that we should be doing now. I know that there are rules, but should we contemplate acceleration of borrowing, including for renovations at the town hall complex, including the police Dep't building, at some level? This will likely save taxpayers money.

Police headquarters is our largest potential project, but it has not been finalized. We hope to bring that to a Special Town Meeting in last October. We haven't quantified potential interest savings and the impact on annual debt service of bonding multiple years smaller items such as road paving or roof replacements, but we can prepare that in advance of the Board of Selectman's April 5th meeting.

4. In our discussion, could you please address will we and how we maximize the benefit to the town of the projected \$5.3 million in Funds from the \$1.9 trillion covid stimulus bill. How can we beat benefit the taxpayers?

This discussion is premature at this time, as we don't have the enough details about the when and how on the spending.

5. Are there any BOE employees who could be town employees, so they can be managed to best benefit the entire town's spending? Can we go further on shared resources, similar to the very successful transition of the finance group? Other non education functions?

We don't discuss specific employees or their job function. Hopefully our place as leaders in the State on shared services between town and schools demonstration to our commitment.

FY22-FY24 Mill Rate Model 23-Mar-21	FY 20 Adjusted Budget	FY 21 Approved Budget	% of Op. Budget	FY 22 Initial Submission	BOF Adjust	Final FY22 Budget	% of Op. Budget	\$ Change	% Change
BOS - Operating Expenses	32,542,102	32,047,312	25.2%	32,210,253		32,210,253	25.0%	162,941	0.51%
BOS - Oper. Capital	1,273,727	868,412	0.7%	1,275,233		1,275,233	1.0%	406,821	46.85%
Board of Selectmen	33,815,829	32,915,724	25.9%	33,485,486		33,485,486	26.0%	569,762	1.73%
BOE - Operating Expenses	82,344,563	82,344,563	64.7%	84,804,215		84,804,215	65.8%	2,459,652	2.99%
BOE - Other			0.0%			-	0.0%	-	
Board of Education	82,344,563	82,344,563		84,804,215		84,804,215	65.8%	2,459,652	2.99%
Debt Service	10,153,497	9,015,040	7.1%	9,224,024		9,224,024	7.2%	208,984	2.32%
Charter Authority/Reserves	473,491	2,969,160	2.3%	1,275,137		1,275,137	1.0%	(1,694,023)	-57.05%
TOTAL OPERATING REQUIREMENT	126,787,380	127,244,487	100.0%	128,788,862		128,788,862	100.0%	1,544,375	1.21%
Supplemental Auto Taxes	800,000	600,000		650,000		650,000		50,000	8.33%
Back Taxes	460,000	640,000		650,000		650,000		10,000	1.56%
Tax Liens & Interest	270,000	300,000		400,000		400,000		100,000	33.33%
Education Grants	-	-		462,025		462,025		462,025	0.00%
Town Grants	838,703	791,668		820,586		820,586		28,918	3.65%
Licenses, Permits Fees & Other	1,425,320	1,311,645		1,713,950		1,713,950		402,305	30.67%
Interest	510,000	400,000		430,000		430,000		30,000	7.50%
Operating Transfers	-	-		-		-		-	
Other	449,401	305,963		317,088		317,088		11,125	3.64%
less: Other Revenues	4,753,424	4,349,276		5,443,649		5,443,649		1,094,373	25.16%
Beginning Estimated Fund Balance	16,030,511	20,444,026		16,736,926		16,736,926		956,353	
10% Minimum Fund Balance	12,678,738	12,724,449	10.0%	12,878,886		12,878,886	10.0%	318,784	
Discretionary Addition over 10% Minimum	500,000	-	0.0%				0.0%		
Ending Estimated Fund Balance	13,178,738	12,724,449	10.0%	12,878,886		12,878,886	10.0%		
less: Fund Balance Adjustment	2,851,773	7,719,577		3,858,040		3,858,040		(3,861,537)	-50.02%
TAX LEVY	119,182,183	115,175,634		119,487,173		119,487,173			
Tax Relief -- Elderly/Disabled	1,210,000	1,210,000		1,210,000		1,210,000		-	0.00%
Tax Relief -- WVAC/Georgetown	20,750	20,750		20,750		20,750		-	0.00%
add: Total Tax Relief	1,230,750	1,230,750		1,230,750		1,230,750		-	0.00%
MILL RATE LEVY	120,412,933	116,406,384		120,717,923		120,717,923		4,311,539	3.70%
Grand List	4,249,234,560	4,281,687,742		4,329,599,334	- 3,500,000	4,326,099,334			1.04%
Increase in Grand List	-2.08%	0.27%		1.119%					
Collection Rate	99.3%	99.0%		99.3%		99.3%			
GRAND LIST (COLLECTABLE)	4,219,489,918	4,238,870,865		4,299,292,139		4,295,816,639		1,563,825	1.34%
Mill Rate	28.5373	27.4616				28.1013		2,747,715	2.3292%
					Increase	2.3292%			
						-0.76%			