

**BOARD OF FINANCE
REGULAR MEETING – JANUARY 22, 2014
MEETING ROOM B
WILTON TOWN HALL**

PRESENT: Warren Serenbetz, Lynne Vanderslice (on the phone), James Meinhold, Al Alper, Jeff Rutishauser, Richard Creeth

ALSO PRESENT: Sandy Dennies, Rich McArdle, Curt Noel, (resident 27 Keeler's Ridge, Wilton) and one member of the Press.

Call to Order:

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

Approval of Minutes

A motion was made seconded and carried to approve the Minutes to the Special Meeting of November 20, 2013 and to the Regular Meeting of December 17, 2013.

Review of Process for Auditor Selection for 2014

Mr. Serenbetz said that he, Mr. Rutishauser, Mr. Creeth and Mr. Meinhold had conducted interviews of auditing firms for the Town for the next three years based on the RFP sent out. Out of the four firms they had narrowed it down to two candidates; O'Connor Davies and Blum Shapiro. While Blum Shapiro's numbers were higher than O'Connor Davies, Blum Shapiro included doing an IT audit which O'Connor Davies bid did not include and when that fee was added in – the numbers were in the same ballpark. Additionally, the Finance Department had experienced customer service issues with O'Connor Davies which placed an additional burden on the Finance Department during the audits.

After the interviews had taken place, Mr. Serenbetz had recommended that Ms. Dennies and Mr. McArdle check references for Blum Shapiro to see if they could meet their customer service requirements.

Ms. Dennies said that they checked the references for Blum Shapiro and O'Connor Davies. The Towns that had used Blum Shapiro had used them for many years and were very happy with them and gave very positive feedback. Regarding the references for O'Connor Davies, Ms. Dennies said that the Towns providing references had experienced similar problems in customer service as the Town of Wilton had in terms of communication.

A motion was made, seconded and carried to approve Blum Shapiro as auditors for the Town of Wilton for the next three years. Ms. Vanderslice abstained because she was not present for the interviews.

Mr. Rutishauser requested that in the future audit reports (both the Audit Report and Management Letter) be delivered to the Board of Finance at least 72 hours in advance to allow them to have adequate time for review.

Federal Reimbursement for Mutual Aid Provided to Sandy Hook

Ms. Dennies explained that this is a reimbursement for the Wilton Police Department's time that they spent for mutual aid assisting Sandy Hook. The amount is for \$9,739.29. A motion was made, seconded and carried to accept the Federal Reimbursement.

Status Report

Ms. Dennies gave an update of the Town's financial status saying that it hadn't changed substantially and adding that they are also doing well with licenses permits and fees (particularly in the Town Clerk's office with conveyance taxes). Investments in mortgage backed securities have also had a positive result. Please refer to the Status Report attached for details of her summary.

Budget Discussion FY 15

Mr. Serenbetz said that the Budget presentation had been held the previous Wednesday at the Wilton Library and there wasn't much of an attendance by the public. Next year the presentation will be taped and available online so that residents can view it at their convenience.

He added that the Superintendent of Schools was making his presentation the following night and that the numbers were running around 4.66%. He clarified that this is not the Board of Ed's budget.

Committee Reports

Mr. Meinhold reported that the Miller Driscoll Building Committee continues to meet. They are on track to make recommendations to the Board of Selectmen at their meeting on February 18th. Mr. Creeth reported that the Comstock Building Committee is on a similar trajectory. Mr. Serenbetz said that the Pension Trust and OPEB Trust meeting would be held the following week and he will report on the meeting at the next Board of Finance meeting in February.

Other Business

Mr. Rutishauser said that he felt there should be a process to follow-up on the recommendations made by the auditor (O'Connor Davies) in their Management Letter to

see if the recommendations on the list had been done. This task would be given to Blum Shapiro. Ms. Dennies said that she would speak to Blum Shapiro about doing this.

Mr. Serenbetz read a statement regarding an e-mail received by the Board earlier in the day and that statement is attached herewith. Ms. Vanderslice asked if there would be follow-up on this issue at the February meeting and Mr. Serenbetz responded that there would be.

Public Participation

Mr. Curt Noel a resident of Wilton, residing at 27 Keeler's Ridge, addressed the Board. He said that he was there on behalf of Marissa Lowthert who had planned on attending but was unable to do so. This relates to her request for a special audit regarding the Miller Driscoll School and the problem with the air quality there.

According to Mr. Noel there appears to be a lot of missing documentation on the HVAC report from Turner as well as required maintenance documents. He suggested having an investigation. He said that he had been told that while it's been said that the School Systems are audited, they actually only provide one lump sum which is included in the Town's statements, which are audited - but the school systems budget is never audited.

He asked if the Board of Finance were going to do something about these issues.

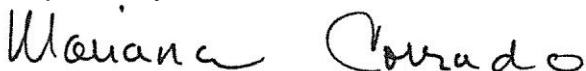
Mr. Serenbetz responded by saying that this was a forum for Public Comment and not a discussion. He corrected Mr. Noel about the Board of Ed not being audited. He said that they are audited. He then said that the Board of Selectmen are addressing the other issues and would handle them, as they are responsible for the Town buildings. He said that the Board of Finance will investigate the allegations of misappropriation of funds and they will continue to do audits.

A brief discussion ensued regarding the merits of hiring a Facilities Manager to oversee all the Town buildings and handle situations such as this.

Mr. Noel thanked the Board of Finance for their time and left.

There being no further business the meeting adjourned at 8:17 PM

Respectively submitted,

A handwritten signature in cursive script that reads "Mariana Corrado".

Mariana Corrado
(From video recording).

Addendum: Statement read by Chairman Serenbetz in response to email sent to the Board of Finance.

The Board of Finance received an e-mail this morning requesting us to approve a special audit of the Wilton Public Schools Operations unit.

Two items are cited as requiring investigation:

One is a serious allegation regarding misappropriation of funds. The other is that these funds may have been misappropriated from an HVAC project at Miller-Driscoll.

Let me discuss the latter first:

The last HVAC project for Miller-Driscoll was approved by taxpayers in 2002. The stated purpose of the project was to bring A/C into sections of the school that then did not have it.

The project was approved for \$900K. The project was publically bid, regularly reviewed by our auditors and the town finance department. The project was completed in 2004 for \$886K and closed out a couple of years ago by the Board of Finance returning the unspent \$14K to the Town's General Fund. There are invoices for all spending on the project and the State has already started their audit of the project as a normal course of business.

The project was managed by a project manager and by the then facilities manager - James Crofts who died in 2005. The project was subject to regular financial review appropriate to bonded funds. The project was never handled by the person to whom the misappropriation of funds is alleged.

From these facts it is highly unlikely that there was misuse of taxpayer funds on this project.

The allegation with respect to misappropriation of funds is currently based on hearsay evidence, however the BoF considers this to be a very serious matter, which will require further investigation of the details. We will pursue these in the coming weeks to determine if a special audit is warranted. I will say that in their normal course of business our auditors perform random tests of transactions using various algorithms and have never identified a misappropriation of funds.