

**BOARD OF FINANCE
REGULAR MEETING – NOVEMBER 17, 2015
MEETING ROOM B TOWN HALL**

PRESENT: Warren Serenbetz, Lynne Vanderslice, Richard Creeth, Al Alper, Jeff Rutishauser,
John Kalamarides

Others Present: Sandra Dennies, CFO; Rich McArdle, Controller; Vanessa Rossitto and Leslie Zoll, of Blum Shapiro, Board of Finance members-elect Peter Balderston and Walter Kress; Kendra Baker, reporter for the Wilton Bulletin

Call to Order

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

Approval of Minutes of the Regular Meeting October 20, 2015

As there were neither comments nor corrections, Mr. Serenbetz asked for a motion to approve the minutes as presented. Al Alper so moved, John Kalamarides seconded and the motion carried 6-0.

Draft CAFR – General Fund – Blum Shapiro

Vanessa Rossitto and Leslie Zoll of Blum Shapiro discussed the Draft CAFR that was handed out to BOF. Ms. Rossitto spoke about the accounting standard GASB 68 implemented this year for accounting and financial reporting for pensions. She stressed that this Draft Report is not finalized. The Management Letter is not yet completed, and Blum is waiting for the final report from the Actuary to book the new GASB 68 liability. Ms. Rossitto stated that there are deficiencies: the unreconciled General Fund, the Grant Fund, and the Sick and Vacation Fund accruals. Ms. Dennies interjected that the Town has purchased a new Grant accounting module from New World. She also informed all that a new HR Payroll System is going live January 1st that will track sick and vacation time.

Mr. Serenbetz asked what the next steps would be to address the deficiencies. Ms. Dennies said that she intends to have a conference call the next day to attempt to resolve the General Fund issue. She agreed that the actuary, H & H, needs to provide their input to satisfy the GASB 68 requirement. Ms. Rossitto informed the Board that the State of Connecticut had hired another audit firm to perform test work and this might not be done by November 30th, but this is not under her control. Ms. Dennies said that she had already received notice that the Town may need to file late because of this.

Fraud Risk Assessment

Prior to moving to the Fraud Risk Assessment agenda item Mr. Serenbetz explained that he had removed the IT presentation by John Savarese from the agenda as First Selectman-elect Vanderslice had committed to having a separate budget session with the BoF specifically devoted to IT during the FY17 budget process. For both the IT and Fraud Risk Assessment reviews Mr. Serenbetz told the Board he felt that this would be more appropriate to review the responses with the new First Selectman, the new BOS and CFO. While the number of rejected recommendations in the Fraud Risk Assessment was a concern for board members, the Board agreed to table any further discussion until the new officials are in place.

FY17 Operating Budget Guidance - BOS

The Board commented that citizens have expressed that taxes are too high, want more transparency, and are asking why there has not been a reversal of taxes in light of a declining student population. Richard Creeth felt that last year's Actuals should be the starting point for the guidance discussion. John

Kalamarides asked what if the BOF said no increase in the budget. Ms. Vanderslice replied that she was fine with that, as her goal was to have it be the lowest number that it can be. She also mentioned that the meetings will be pushed further into January, to give more time to do analysis on the departmental budgets. Mr. Serenbetz then asked for a vote on Mr. Kalamarides' suggestion that the BOF would like the town budget to come in at zero, but is willing to have the new First Selectman come back to advise if that is too tight. Mr. Alper seconded this; all voted in favor of this with the exception of Ms. Vanderslice, who abstained and the vote carried 5-1.

FY16 Status Report

Sandra Dennies stated that, with one-third of the year gone by, taxes are right where they should be. She expressed concern with a mid-year budget reduction in state aid, saying the state has reduced PILOT grants so the Town won't receive what was originally budgeted. Licenses, Permits and Fees are right on target. Other Revenues was exceptionally high, with the receipt of an unbudgeted \$932,800 for the Station Place property purchase. Legal Expenses are high due to increased activity, which was a concern for all. Lastly, Ms. Dennies remarked that nothing was drawn down to date from Charter Authority.

Committee Reports

Comstock Building Committee: Richard Creeth stated they are on track.

Miller Driscoll: John Kalamarides stated that the bids came in \$5 million under budget. With the state grant of \$6 - \$7 million, it is looking like the project will be \$38 - \$39 million. The BOS has approved the essential bids and things are moving ahead nicely. Mr. Kalamarides offered compliments to Ms. Vanderslice for her efforts of the last week, which appeared to have made a difference in the tone at last night's BOS meeting.

Pension: Jeff Rutishauser briefly summarized the quarterly meeting saying that actuarial assumptions were reviewed. The Pension is 96% funded as of July 1st, with a value of \$100 million. He noted market value is \$104 million, which results in a significant reduction in what we're paying this year to cover the gap.

Other Business

As this was his last BOF meeting, Al Alper said it had been a pleasure to serve on the Board, who embodies a cooperative spirit to work together in the Town's best interest. Ms. Vanderslice offered her thoughts on the same. Mr. Serenbetz thanked both for their service, as did Messrs. Creeth, Kalamarides and Rutishauser. Ms. Dennies was also thanked for her service and was wished well with her retirement.

Public Participation

None.

Having no further business, Mr. Serenbetz adjourned the meeting at 8:51 p.m.

Respectfully submitted,
Kris Fager
(from video recording)