

**BOARD OF FINANCE
REGULAR MEETING
Tuesday, September 20, 2011**

PRESENT: Warren Serenbetz, Al Alper, Lynne Vanderslice, Gail Lavielle, Andy Pforzheimer, Jim Meinhold

ALSO PRESENT: CFO Sandy Dennies

Acceptance of Minutes: Upon motion by Ms. Lavielle, the minutes of the 7/19/11 meeting were unanimously accepted as presented.

Upon motion by Mr. Alper, the minutes of the 6/21/11 meeting were unanimously accepted as presented (Mr. Meinhold abstained as he was not present on 6/21/11).

2011 Budget Update:

Ms. Dennies had distributed copies of the unaudited results of FY/2011, stressing that these are very preliminary numbers and they could change after the audit. We had anticipated that the fund balance at the end of FY'11 would be \$2.1 million and that number has been reached or exceeded.

Ms Dennies reported that, at the end of June, Ken Post indicated that the schools would have a surplus in their medical benefits account and he was asking the auditors what the procedure would be to move that into the reserves.

The town has \$779,000 in revenue that exceeded the amount budgeted. This is partially due to Special Education grant funds received which will be adjusted by the auditors to cover BOE expenses for Special Ed in excess of budget. Also, we did better in building permit and inspection fees than anticipated. However, these numbers could change in October after the audit.

Regarding expenditures, the Board of Ed came in a little better than \$2 million on their budget. The Town portion of the budget spent approximately \$900,000 better than budgeted.

We expect to have \$3 - \$4 million available at year-end, again preliminary. Ms. Vanderslice questioned the fact that we carry-over about a million dollars every year from the DPW budget. She asked if we are forcing the taxpayer to pre-pay?

FY '12 Budget is on target to date. Half of the taxes have been collected. Expenditures are in-line and there is nothing coming up that would be concerning.

Ms Dennies presented the proposed FY'13 Budget Meeting Calendar for the Board of Selectmen, Board of Finance and Board of Education. The Annual Town Meeting is scheduled for May 7, 2011. Budget materials will be going out to departments early in October this year.

It was decided to continue with the same practice this Board used last year. Ms. Vanderslice will prepare the mil rate model and should have a presentation for the public ready by the beginning of November. Info sessions will then be held with the Board of Selectmen, PTAs, etc.

Mr. Alper pointed out that the BOE is in a "different place" this year and suggested mil rate numbers that we come up with will help provide guidance as they go into negotiations with the teachers.

Ms. Vanderslice will prepare and come back with a presentation on October 18 for approval before taking it to the public. She will also check with the Library for available dates to hold information meetings.

She distributed copies of very preliminary numbers and gave an overview of how she developed the numbers:

- Grand List growth for 2013 is based on \$611,000 in permit income and how that historically translates into assessed properties.
- Collection rate calculated at 98.6% for 2011.
- Debt Service – what was presented at Annual Meeting, assuming \$16 million for roof repairs, etc. and not a new school building.
- Tax Relief is brought up to level that was agreed on this past June or July.
- Fund Balance adjustment assumes that we have \$2.5 million of favorability in 2011 and almost \$2.1 million incorporated into the 2012 Budget.

Three year averages were calculated at the bottom of the page. Mr. Serenbetz feels that the results of the vote this past year, with a lot more "NO too high" votes than he expected could reflect that a 3% increase on an on-going basis may be too high.

Mr. Meinhold pointed out that the CPI has gone up a fair amount since the beginning of year and he still agrees with the 3% increase. Mr. Serenbetz pointed out that wages don't reflect that, especially for seniors. He feels the CPI reflects costs but not an ability to pay.

Mr. Alper stated that the unemployment rate is at 6%, which is three times the norm. He feels that a 9% increase over three years is a very high number. Ms. Vanderslice had advocated for a higher number but has now changed her mind. The numbers of

house sales in Wilton were flat. Housing pricing seems to be back at the 2002 level. There is no driver for housing demand in Wilton. She feels now that a 2% increase per year is too high, and is very concerned about the impact of 2012 revaluation. Ms. Lavielle agrees that 2% per year seems high at this point, especially with the state tax increases expanding the total tax burden on citizens.

Mr. Serenbetz pointed out that a 2% budget increase, increases the mil rate slightly more than 2%.

Mr. Pforzheimer still agrees with a 3% increase. Changing the rate from year to year, up and down, defeats the purpose of long-term planning.

After more discussion, the majority consensus was to provide preliminary guidance to the operating boards by including in the model a hypothetical 1.75% mill rate increase each year for three years. As was the case last year, this number is not written in stone and may be subject to change up or down as various elements are clarified throughout the budget season. Ms. Vanderslice will prepare the numbers to reflect this.

Having no further business, the meeting was adjourned at 9:00 p.m.

Jan Andras
Clerk Pro Tem