

**BOARD OF FINANCE
REGULAR MEETING – FEBRUARY 23, 2016
MEETING ROOM B TOWN HALL**

PRESENT: Jeff Rutishauser, Warren Serenbetz, Richard Creeth, Peter Balderston, John Kalamarides, Walter Kress

Others Present: Anne Kelly-Lenz, CFO; Kendra Baker (Wilton Bulletin)

Call to Order

Chairman Jeff Rutishauser called the meeting to order at 7:31 p.m.

Approval of Minutes of the Regular Meeting January 26, 2015

Mr. Rutishauser asked for a motion to approve the minutes as written. Richard Creeth so moved, Peter Balderston seconded and the motion carried 5-0-1, with Warren Serenbetz abstaining due to being absent from the meeting.

Status of Audit – Anne Kelly-Lenz

The documents were filed February 15th. Mr. Serenbetz asked Anne to review some of the recommendations. Anne advised that the health claim account matter was addressed back in December. She has set up procedures so that the schedule now works toward what the auditors need at year end, and the person handling the account now presents Anne with a monthly report for her sign-off. Anne is also working towards reducing the number of bank accounts and cash activity. She is setting up different bank accounts so that the bank does the entries instead of here. She also discussed existing control procedures and what she will be instituting to shore up those controls for receipts of cash, as well as accounting closing deadlines. Anne then responded to various questions and also briefly discussed the upcoming migration to NWS payroll vs. the existing third party system now used. A follow-up on the Fraud Risk Assessment will be a June agenda item.

A motion was then made by Richard Creeth to approve the Audit as presented; seconded by Warren Serenbetz and carried 6-0.

FY16 Status Report

Anne reported that it is much the same as last month. She stated the Grand List is not finalized yet but that personal property tax and INE penalty collections went down, due in part to businesses moving out of Wilton and taxes being paid on time. The increase in Grand List since last year is coming in at 0.2% vs. the previously-planned 0.5%.

Discussion moved to Jeff's FY17 mil rate assumption model (attached) and how the increase in Grand List rate at 20 BP not 50 BP will reflect on the projected mil rate. Jeff asked Anne to get back to the Board with what the actual tax collected experience has been for the past three years, which will be used to update his model.

FY 17 Budget Discussion

Discussion ensued about the BOS and BOE's budgets. Jeff stated the BOS is coming in aggressively with a budget as flat; and the BOE budget is at 1.27%, the lowest increase in a long time. This, however, will be offset by the jump in debt service mostly due to the education projects funded by bonding. There also won't be much current year savings to budget as in past years to offset the FY17 BOS and BOE increases. Looking at the tax revenues next month will help provide a better idea of where the increase is going. Jeff will update his model as information becomes available to share with the BOF, acknowledging that tough choices will need to be made the next couple months.

The Board then talked at length about school districts facing enrollment declines, what comprises the rankings, etc. All agreed that, with enrollment down, there is a need to look at creative ways to solve shortfalls while not compromising the quality of the education provided. Jeff reminded everyone about the upcoming Thursday BOE/BOF workshop, saying he had sent the compiled BOF questions to the BOE.

Committee Reports

Pension Investment: Warren Serenbetz reported that the Pension Plan ended the fiscal year at \$98.8 million and it is over 95% funded, so the extra funding allocation will only be 5% for FY17. The plan performance for year 2015 was flat, which was good based on the results for the last quarter of the year. Fund fees are at 49 basis points.

OPEB: Warren reported the plan was down YTD 40 basis points but had an ending value of \$5.4 million and is continuing to grow, despite being down 2.1% during the July - December timeframe. The committee last year also instituted the excess contribution on the fund that will take effect this year. The cost for the portfolio runs about 22 basis points. The plan, which is relatively young, is still underfunded but is catching up quickly.

Miller Driscoll: John Kalamarides reported that Glenn Hemmerle has taken on the role of Vice Chair while the committee looks for a new Chairman. A subcommittee looks at change orders to bring to the committee and these in turn are brought before the Board of Selectmen. Chris Burney has taken on a major role in the committee and reviews change orders prior to being presented to the BOS. John further reported that [some of the] toxic materials were removed during the last school break, with a report on this forthcoming the first week in March.

Comstock Building Committee: Richard Creeth reported that they are very close to completion with a few things to be done in the spring. There were only two change orders at the last meeting. They are hoping to get the Certificate of Occupancy soon. Variances are strongly favorable right now. A Grand Opening is planned for May.

Other Business

Jeff mentioned that there had been a request to add the Board's email address on the banner of the video, to encourage more public interaction. All agreed this was a good idea, and the address is in process of being added to the banner.

Peter Balderston commented he would like to see more fine-tuning of the Finance webpage to support ease of document searches, citing a couple examples. Jeff replied he believes that Lynne is working on streamlining the page. He said the normal procedure is that handouts at the meetings are given to Anne who will relay them for someone to scan and upload, as are done with the minutes and agendas.

Public Participation

None.

Having no further business, Jeff asked for a motion to adjourn. Walter Kress so moved; Peter Balderston seconded and the motion carried unanimously. The meeting adjourned at 8:39 p.m.

Respectfully submitted,

Kris Fager
(from video recording)

FY17 Mill Rate Model

	<u>FY16 Budget</u>	% of Op. <u>Budget</u>	<u>Projected</u> <u>FY17 Budget</u>	% of Op. <u>Budget</u>	<u>\$ Increase</u>	<u>% Increase</u>
BOS - Operating Expenses	31,078,978	25.0%	31,079,000	24.6%	22	0.00%
BOS - Oper. Capital	1,353,217	1.1%	1,354,000	1.1%	783	0.06%
Board of Selectmen	32,432,195	26.1%	32,433,000	25.7%	805	0.00%
Board of Education	79,956,024	64.4%	80,972,640	64.2%	1,016,616	1.27%
Debt Service	10,616,380	8.5%	11,478,000	9.1%	861,620	8.12%
Charter Authority	1,230,046	1.0%	1,248,836	1.0%	18,790	1.53%
TOTAL OPERATING REQUIREMENT	124,234,645	100.0%	126,132,476	100.0%	1,897,831	1.53%
less: Other Revenues	6,013,444		5,930,679		-82,765	-1.38%
Beginning Estimated Fund Balance	18,252,801		17,813,345			
10% Minimum Fund Balance	12,423,464	10.0%	12,613,248	10.0%		
Discretionary Addition over 10% Minimum	1,000,000	0.8%	1,500,000	1.2%		
Ending Estimated Fund Balance	13,423,464	10.8%	14,113,248	11.2%		
less: Fund Balance Adjustment	4,829,337		3,700,097		-1,129,239	-23.38%
add: Total Tax Relief	1,120,750		1,120,750		-	0.00%
TOTAL FUNDING REQUIREMENT	114,512,614		117,622,450		3,109,836	2.64%
GRAND LIST (COLLECTABLE)	4,268,051,196		4,289,391,451		21,340,256	0.50%
Mill Rate	26.8302		27.4217		0.5915	2.20%

Gap Analysis	
Expenses Total	121,322,547
less: FY16 Mill * FY17 GL	115,085,178
Funding Gap	6,237,370
less: Fund Balance Adjust	3,700,097
SubTotal	2,537,272
less: Budget Cuts	-
Tax Rate Increase	2,537,272
Mill Rate	27.4217