

Board of Finance
Regular Meeting – December 16, 2008
MINUTES

Attending:

Board of Finance Members: Robert Kelso, Jim Meinhold, Andy Pforzheimer, Warren Serenbetz, Lynne Vanderslice; Notified Absence: Al Alper

Others: Joseph Dolan, Kenneth Post (BOE), Brian Shea (Bulletin), Lauren Mylo (Villager)

Call to Order:

Robert Kelso called the meeting to order at 7:30 p.m.

Election of Officers to Terms Ending December 1, 2009:

Mr. Kelso announced that this being his last meeting as Chairman of the Board of Finance, and after serving as Chairman for four of the last five years, he felt it was a good time to transition to a new leadership. He stated he looked forward to working with the new chairman in what may be a challenging year and assured the Board that he would remain fully involved in the budget process.

Mr. Kelso motioned that Warren Serenbetz be elected as Chairman; Lynne Vanderslice seconded, and the motion passed unanimously.

Mr. Serenbetz thanked the Board for its vote of confidence and stated it was very important to have continuity with Mr. Kelso to provide the appropriate advice and guidance as he transitioned to his new role.

Mr. Serenbetz motioned that Robert Kelso be elected as Vice Chairman; Ms. Vanderslice seconded, and the motion passed unanimously.

Mr. Serenbetz motioned that Jim Meinhold be elected as Clerk; Mr. Kelso seconded, and the motion passed unanimously.

Approval of Minutes:

- Regular Meeting of November 18, 2008

Mr. Meinhold motioned that the Minutes be approved as written; Andy Pforzheimer seconded, and the motion passed 4-0, Mr. Kelso abstaining.

Approval of Regular Meeting Schedule for 2009 Calendar:

Mr. Serenbetz proposed changing the February 17 meeting date to February 10, as it conflicted with the school vacation schedule.

Mr. Serenbetz asked for a motion to approve the Proposed 2009 Regular Meeting Schedule as amended; Mr. Kelso so motioned, Mr. Pforzheimer seconded, and the motion passed unanimously.

Board of Education Financial Report:

Ken Post reviewed the highlights of the BOE's October financial report as follows:

- As of the end of October, projected year-end budget surplus of \$80,553; special education contracted services are projected to exceed budget by approximately \$700,000, offset by savings in special ed outplacements, property liability insurance, supplies, staff development, and building operations resulting from a freeze on discretionary spending that went into effect November 1.
- Special ed projected deficit is \$364,447, due to same factors. As of end of October, fewer students outplaced than budgeted and several attend programs that are less costly than originally budgeted. Large variance in contracted services due primarily to unrealized expectation that some students who receive behavioral services would transition from outside providers to being serviced by own personnel. Due to lengthy due process hearing this summer, anticipate that legal fees will exceed budget by about \$30,000. Initial excess cost claim will be filed this month, which is expected to be approximately \$1.7 million. Preliminarily expect funding level of approximately 90 percent, which would result in Town receiving approximately \$1.5 million. Since Town is obligated to credit BOE to the extent special ed budget is overspent, expect that would create a net surplus of \$445,000 in the BOE budget.
- In health benefits for first four months, cost exceeded budget by \$78,000. Claims higher than budgeted over the summer but then lower in September and October. Also, no employee contribution collected in July and August. Based on that info, Ed Nordgaard's projection is that claims will be slightly higher than budgeted, although not currently projecting an overage in health benefits for the year as this small variance would be absorbed by fluctuation reserve fund.

Q&A followed Mr. Post's presentation.

Mr. Pforzheimer asked if there had been any effort to gauge the impact on savings since the BOF's approval of funding an Assistant Director position, as it had been expected that more children would become assimilated in programs within the schools as a result, thus having fewer outplacements. He also asked if there would be any savings from attrition of FTEs during '08-'09. Mr. Post stated he believed there had been an impact, as there was a lower outplacement number than in recent years, but that he couldn't specifically quantify it. He stated he did not expect there to be savings due to attrition of full time employees at this time.

Mr. Serenbetz asked Mr. Post to explain the difference between contracted services and outplacements. Mr. Post explained that outplacement occurs when a student goes to another facility, and contracted services would be where a student is in Wilton schools but has someone hired from outside come in and give specialized services. Mr. Serenbetz commented that he believed one of the things that strongly impacts the special ed department is that Connecticut is the only state that requires the school system to prove that the services provided by the schools are sufficient.

Regarding total special ed cost, Mr. Kelso asked if the BOE was ensuring that all qualified cost reimbursement is being identified and requested; Mr. Post stated that the special ed department is very thorough in capturing all qualified costs associated with each student.

Mr. Serenbetz thanked Mr. Post for his report. He also advised Mr. Post that the Board of Finance wanted the FY 2010 budget requests in a changed format, that included five prior years actual expenditures.

Town FY '09 Financial Report:

Joe Dolan distributed materials and reported that expenditures were consistent with budget (i.e. no surprises except for savings in salaries and benefits from unfilled vacancies, some of which would not be filled).

He further advised that current tax collections were .6% behind FY '08, which was not yet a cause for concern. He called attention to increased back tax collections but explained that not all of the increase would be recognized as FY '09 revenue because of generally accepted accounting treatment of the first two months' collections of taxes, interest and lien fees.

Mr. Dolan also advised that 2007 Supplemental Grand List motor vehicle bills, which were being mailed out that week, represented a tax levy of approximately \$513,000, which was greater than the \$485,000 budgeted.

Mr. Dolan stated that recording fees and conveyance tax reflected reduced real estate sales, as expected, but that recording fees may pick up if there was an increase in the number of people refinancing homes. Interest income, he noted, was not expected to exceed the budget because of dramatically reduced short-term rates.

With respect to financing of the High School project approved at the September Special Town Meeting, Mr. Dolan reported that the BOS and BOE were scheduled to meet in January after bids came in to see if the scope of the project can change. He stated he was not sure what form of financing will be used, but assuming the scope of project is not significantly changed, the expectation was that \$12 million would be borrowed in some combination of bonds and notes this year, with a closing by the end of January.

Mr. Kelso asked about the status of the state conveyance tax and the potential impact of cuts in state grants. Mr. Dolan advised that there was no change to the conveyance tax, as it had been

renewed for two more years at the last legislative session, and that although there is some exposure to a reduction in grants, the Town is not especially reliant on state grants.

Mr. Dolan stated he would be closely monitoring the second installment of taxes, which is due the first business day of February, as well as the approximately \$800,000 in outstanding deferrals resulting from the Town's Elderly and Disabled Tax Relief Program since FY '99. He noted that almost no repayment of deferrals occurred this year.

Other Business:

- Mr. Serenbetz advised that he and Mr. Kelso had met with Gary Richards and Karen Birck with respect to the BOE budget process, and that they had agreed to answer questions BOF members had after any BOE meetings attended. In order to avoid duplicate inquiries, he asked that individuals email those questions to him so that he may forward them to Dr. Richards and Ms. Birck for response.
- With respect to Jim Meinhold's suggestion of ensuring there be at least one BOF member at each of the upcoming budget meetings, it was agreed that once the meeting calendar was posted, it would be determined which meetings could be attended by whom. Mr. Dolan stated that once the master budget calendar he was compiling was set, he would ask John Savarese to put it on the Town website so that it would be accessible to everyone.
- Mr. Serenbetz asked for an update on the Parks and Rec audit. Mr. Dolan stated that he expected to have a draft of the audit report for the January meeting.
- Mr. Kelso reported that the Investment Committee of the pension plan would be meeting tomorrow and that he wanted to assure everyone that the Town does not have any money invested with Bernard Madoff, as all funds are currently invested with Vanguard.

Public Comment:

No public comment.

Adjournment:

There being no further business, Mr. Serenbetz asked for a motion to adjourn. Mr. Pforzheimer so motioned; Mr. Meinhold seconded, and the motion passed unanimously at 8:18 p.m.

Respectfully submitted,

Anna Corra
Recording Secretary