

**APPROVED/BOARD OF FINANCE MINUTES –REGULAR MEETING
TUESDAY, FEBRUARY 21, 2017**

A regular meeting of the Board of Finance was held on Tuesday, February 21, 2017 in the large conference room in Town Hall at 7:30 a.m.

Members Present: David Ulmer, Chairman; Jessica Mancini, Vice-Chairman; Marty Heiser; and Sean Connelly

Members Absent: Mike Raduazzo

Town Officials: Kevin Redmond, Controller; Jane Berendsen Hill, Tax Collector; Dr. Karen Baldwin, Supt. Of Schools; Paul Hendrickson, BOE Business Manager

Guests: Fran Walton, Chairman, BOE (arrived 8p.m.)

A G E N D A

Comments From the Public
Approval of Minutes –Regular Meeting of January 17, 2017
Treasurer's Report
Tax Collectors Report
BOE Financial Report
Controller's Report
 Fiscal 2017 YTD Revenues and Expenses
 Financial Analysis 7 + 5
Old Business
New Business
Communications & Correspondence
Adjournment

Mr. Ulmer called the meeting to order at 7:30 p.m.

COMMENTS FROM THE PUBLIC

None

APPROVAL OF MINUTES

Mr. Heiser made and Ms. Mancini seconded a motion to approve the minutes from the Board of Finance January 17, 2017 meeting with changes.

Vote: 4-0. **MOTION APPROVED**

TREASURER'S REPORT

January 31, 2017

	Balance	Month int/div.		30-day Yield Rate	Y-T-D Interest
Fairfield County Bank					
Money Market (...0134)	\$ 60,394	\$ 538		0.23%	
NOW (...0142)		\$ 389		0.21%	
Ambulance Fees (...0222)	\$ 16,138	\$ 41		0.23%	
Subtotal	\$ 76,532	\$ 968			\$ 9,054
STIF					
(CT- Short-Term Invstmnt Fnd)	\$ 8,925,151	\$ 4,744			\$ 24,799
People's United Bank					
Municipal (...0055)	\$ 501,337	\$ 220	A	0.50%	\$ 1,337
Union Savings Bank					
Investment (...0501)	\$ 1,500,000				
Investment Repo (...0501)	\$ 22,430,548	\$ 4,733		0.62%	
Tax Collector (...2672)	\$ 10,000				
Analyzed CKG (...2525)	\$ 1,150				
Repurchase (...2525)	\$ 14,970,693	\$ 7,688		0.62%	
Subtotal	\$ 38,912,391	\$ 12,421			\$ 64,626
Capital One (@Wells Fargo)					
6-mo. CD due 5/23/2017	\$ 245,000		B	0.65%	
Wells Fargo					
24-mo CD 4/6/2018 (...7870)	\$ 247,031	\$ 229		1.10%	\$ 1,580
TOTAL	\$ 48,907,442	\$ 18,582			\$ 101,396

Prior YTD
\$ 41,538.00

F/Y 2016/2017 Budget \$ 66,000.00
Budget Surplus \$ 35,396.00

A-Account opened in July 2016 @ slightly better interest rate
B- Interest paid on maturity

Mr. Ulmer said he would call the Treasurer to inquire about the status of a longer-term investment vehicle.

TAX COLLECTOR'S REPORT

	Budget	Q1	Q2	Jan.	Y-T-D	% Clctd	Prior	13-14	12-13
Current Taxes	\$ 123.3	\$ 39.5	\$ 31.7	\$ 22.0	\$ 93.3	75.63%	74.44%	74.08%	74.60%
Supplemental MV	\$ 0.8	\$ -	\$ 0.1	\$ 0.7	\$ 0.8	101.54%	84.17%	84.03%	79.63%
Prior Year	\$ 0.9	\$ 1.0	\$ 0.7	\$ -	\$ 1.7	181.97%	78.98%	81.38%	85.74%
Interest & Lien Fees	\$ 0.5	\$ 0.3	\$ 0.4	\$ -	\$ 0.7	151.78%	59.21%	59.86%	61.39%
As of 1-31-2017	\$ 125.5	\$ 40.8	\$ 32.9	\$ 22.7	\$ 96.5	76.86%	74.41%	74.09%	74.67%

Ms. Berendsen-Hill noted that the end of January marks the end of a collection period, a time when the bills do not come due as much and a time when there should be a high balance in the Treasurer's report. Tax collections were a lot more this January than last January, which sometimes has a lot to do with what day of the week the end of the month falls on. Mr. Heiser asked Ms. Berendsen-Hill to cite three things she is concerned about and three things she is happy about. Ms. Berendsen-Hill said she was happy that "I did my part in getting some money in a tough time, and I am not concerned over anything."

The supplemental vehicle rate book came in over a million dollars, a result of the conversion of the DMV system which extended August and September registrations to October 15, putting those registrations off one list and on to the other list. I do not expect the supplemental list to be a million dollars next year. Car sales are not as strong as they were.

Proceeds attributed to the tax sale totaled \$2,019,900.00, broken down as follows:

Fiscal Year	R.E. Taxes	Sewer Taxes	Totals
FY 2016	\$299,629.00	\$25,302.00	\$324,931.00
FY 2017	\$1,577,121.00	\$117,848.00	\$1,694,969.00
	\$1,876,750.00	\$143,150.00	\$2,019,900.00

Ms. Berendsen-Hill advised that some of these taxpayers will become delinquent again, adding that she has not seen any increases in delinquencies from January. Ms. Berendsen-Hill said that, as of today, 78.46% of the budgeted amount of tax revenues have been collected. Mr. Redmond added that tax collections are \$1.75MM favorable, overall.

BOE FINANCIAL REPORT

Mr. Hendrickson reported that the current report is similar to last month's report, and he wants to focus on special education expenses. Due to the reclassification of some settlements to the tuition accounts, the settlement account now has a balance of \$238,517.00, while the sum of the three tuition accounts' balances is \$221,276, so, currently, the total is roughly breakeven. There are three pending settlements, one of which is encumbered, the second is close to settling and the third is in the initial stages of negotiations. The total of the three settlements could be a couple hundred thousand dollars. ECR budget is \$1,928,571.00. This year the District submitted excess cost claims of \$2,079,904.00 on December 1, 2016, (\$575,993.00 less than last year). Recent conversations with the Connecticut Department of Education indicate that the reimbursement percentage for the first payment will be 77%, meaning Ridgefield will receive \$1,563,026.00. The District is expecting to receive 75% (\$1.2mm) of the total ECR grant next week. On March 1, 2017 the District will update its filing and will receive the remaining 25% of the grant in late May.

Dr. Baldwin added that fewer kids are qualifying for excess cost reimbursements than in the past. The great news is that the State is communicating a greater reimbursement rate and the budget shortfall projection is less, at a little more than \$300k. More good news is that the salary account is helping to contain that \$300k deficit.

Mr. Hendrickson noted that, so far, the winter weather has been relatively calm, thereby reducing heating costs. To date the BOE budget is 41% spent, under in salaries and benefits as well as energy costs which are the major big hitters.

Mr. Hendrickson informed the Board of Finance that some out-placed students are returning to Ridgefield.

Mr. Heiser asked Dr. Baldwin for the percentage increase in the Superintendent's proposed 2018 budget. Mr. Baldwin responded that it is 2.5%, a total of 3.48% less the "carve out" for special education which is exempt from the State's 2.5% cap.

Mr. Connelly asked if someone is looking at the increase in health-care benefits and asked if the increase is a wellness issue. Dr. Baldwin said that Rob Fitzpatrick analyzed the claims and found eighteen (18) people have hit the stop loss. She added that the BOE tries to incentivize wellness activities. Mr. Ulmer: "Claim experience has been outstanding until the last couple of years."

Fran Walton, who spent the day in Hartford, reported that there is the potential for ECR reimbursement to be cut down to 55%. The State legislature should approve a budget by early June, too late to be factored into town budgets. Dr. Baldwin said that right now the Superintendent's proposed budget assumes a 70% reimbursement rate, she added that she would forward the joint position statement (State educators against ecr reduction) to the Board of Finance.

There is discussion in Hartford about having the municipalities assume funding of teachers' pensions. Presently, teachers contribute 6.2% of their salaries to the pension fund and the State funds the rest. It is a defined benefit plan. The State has a long history of underfunding the teachers' pension fund, which is a "very rich" plan.

Mr. Ulmer: "I don't think that will fly. It hurts us, but it hurts other towns a lot more than us."

CONTROLLER'S REPORT-

Mr. Redmond reported that the 7 + 5 "looks good, not too much has changed since last month." Not much new to report on revenues, showing 1.2MM favorability which is driven by tax revenues. Ambulance revenues are back on track and showing a 10% increase.

On the expense side there is not a lot of favorability as there has been in the past. There are no vacancies now. "We will come in under budget because we have to."

Mr. Redmond presented the following spreadsheets regarding the Schlumberger property. Noting that he did not anticipate any more sales of the property, Mr. Redmond said he would recommend that the BOF do a bond. "Does not have to be this December, we could wait another year." The debt projection goal is \$50MM by fiscal 2012 and this bonding is figured into that. Mr. Redmond opined that, at some point, there will be another request for funds for parking and landscaping, etc.

	FYE	FYE	FYE	FYE	FYE	FYE	
Operating Costs	2012	2013	2014	2015	2016	2017	Total
Heating	16,330.00	2,851.00	6,105.00	9,659.00	-	1,669.00	36,614.00
Electric	39,359.00	80,163.00	47,130.00	50,091.00	10,221.00	4,941.00	231,905.00
Water/Sewer	1,615.00	23,678.00	22,504.00	24,357.00	44,639.00	8,516.00	125,309.00
Maintenance	11,190.00	8,378.00	2,157.00	5,367.00	11,879.00	21,649.00	60,620.00
Legal	41,373.00	-	-	-	-	-	41,373.00
Other	10,230.00	3,888.00	-	-	11,130.00	5,166.00	30,414.00
Total	120,097.00	118,958.00	77,896.00	89,474.00	77,869.00	41,941.00	526,235.00

	FYE	FYE	FYE	FYE	FYE	FYE	Total
Capital Costs	2012	2013	2014	2015	2016	2017	
Purchase Price	6,000,000.00						6,000,000.00
Title Insurance	12,264.00						12,264.00
Legal	37,719.00		62,510.00	42,523.00			142,752.00
Locksmith/Secure Building/Other	7,282.00			3,759.00			11,041.00
Sewer	11,880.00	23,600.00	23,520.00	23,600.00			82,600.00
Environmental	39,911.00	21,945.00	10,244.00	11,547.00			83,647.00
Development Plan/Apprsl		17,883.00	2,784.00			2,635.00	23,302.00
Phase 1 - Outer Bldgs							
Demolition (CT Dismantling)		70,689.00					70,689.00
Other (Various)	743.00	37,735.00					38,478.00
Phase 2							
Demolition (Standard)				574,776.00	616,026.00		1,190,802.00
Other (various)				6,783.00			6,783.00
Air Quality Assessment (Terracon)				64,916.00	21,184.00		86,100.00
TOTAL	6,109,799.00	171,852.00	99,058.00	727,904.00	637,210.00	2,635.00	7,748,458.00

Funding	
Initial Capital	7,000,000.00
State Grant	385,000.00
Additional Appropriation	221,000.00
Unallocated Portion of Insurance Proceeds Remaining	145,000.00
	7,751,000.00
Capital Remaining	2,542.00

Bonding/BAN	
Initial Appropriation/Bonding Authorization	7,000,000.00
Additional Appropriation/Bonding Authorization	221,000.00
Sale Proceeds - Zemo	(1,250,000.00)
Sale Proceeds - Charter	(4,300,000.00)
BAN Paydown - FYE 16 General Fund Operating	(250,000.00)
BAN Paydown - FYE 17 General Fund Operating	(450,000.00)
Available to be Bonded	971,000.00

Mr. Heiser asked if the BOS is going to give a non-binding recommendation regarding the BOE's budget increase, and Mr. Redmond responded saying: "My understanding is that they will."

OLD BUSINESS-

NEW BUSINESS

The Board of Finance discussed the BOE's request to move the public hearing from March 27th to March 28th.

Mr. Heiser announced the death of Bernie Dzielinski, on February 6, 2017 at age 94, who chaired the Board of Finance from 1989 into the early 2000s, contributing his considerable talents to the benefit of Ridgefield taxpayers.

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to adjourn the meeting at 9:20 p.m.

Vote 3-0. **Motion APPROVED.**

Respectfully submitted,
Karen Rodgers,
Recording Secretary