



## **Town of Ridgefield Board of Finance**

### **Approved Meeting Minutes**

Tuesday August 18, 2020

#### **I. Call to order**

Dave Ulmer called to order the Board of Finance meeting at 7:00 PM August 18, 2020 via Zoom due to Coronavirus. Board Members Dave Ulmer, Greg Kabasakalian, Mike Rettger, Amy Freidenrich, Karen Ogden present.

#### Other's present:

BOE Members/RPS Staff: Dr. DaSilva, Superintendent, Dawn Norton, Business Manager, Jonathan Steckler, Margaret Stamatis, Elizabeth Hannaway, Assistant Sup. Of Special Services

Town Officials: Kevin Redmond, Controller, Molly McGeehin, Treasurer, Jane B. Hill Tax Collector.

#### **II. Public Comments-None**

**III. Approval of Minutes**-Changes discussed for 7-21-2020 meeting minutes. To be approved at next BOF meeting after revisions made.

**IV. Treasurers Report**-Molly McGeehin, Town Treasurer. Mrs. McGeehin discussed that right now there is nowhere to earn decent interest. Local banks have better rates and she's managing as best as possible. She'll get back to the BOF with projections. A \$10 million Bond Anticipation Note (BAN) is due which will be partially offset by money coming from the state. There is currently nothing out of the ordinary. Mr. Ulmer noted Mr. Rettger's request at the prior meeting about seeing the reconciliation between the cash basis Treasurer's report and the Town's MUNIS report. After discussion, it was agreed that the Treasurer should provide this reconciliation as part of the report on a quarterly basis given the small difference in bases that is expected in the present low interest rate situation.

**V. Tax Collector Report**-Jane Berendsen Hill, Tax Collector. Mrs. Hill discussed that the past month was better than expected. She took a look at deferrals for the quarter; the total is under \$320,000 of which \$150,000 is already paid. More than a usual number of residents have paid for

the year but not a high amount. Most interest collected in July was a result of sales. The Real Estate market is hot. Seeing many transfers, some deferred accounts (long-term). Sale prices are better. The elderly are seeing an opportunity to move within the town. Many people are coming from New York City, Stamford, Westchester etc. As of August 17, 2020 Jane, has a full staff and is very pleased.

**VI. BOE Financial Report-**Dawn Norton BOE Business Manager. As of June 30, 2020, the BOE has expended or obligated \$96,778,441 of the \$98,193,760 appropriated budget. An amount that represents approximately 98.6% of the Fiscal Year 2020 appropriation. The BOE has final year-end transfers to be completed. Transfers will be brought to the BOE in August after finalizing books. In addition to transfers, payroll accruals need to be posted and waiting on final invoices to be processed. Ms. Norton reported that she is currently projecting underspending of funds of approximately \$1,415,319 for the 2019-2020 Fiscal Year.

**Dr. Susie DaSilva:** These are very challenging times for the District as the BOE works to comply with the Governor's Executive Orders, address the continuity of learning and maintain structure, stability, and compliance. As the BOE works through the extended school year program as well as what the return to school in the fall will look like, they will continue to plan for the CDC's and local health inspectors' current restrictions to safely reopen schools.

It's challenging to tie a student achievement gap to COVID. Special Education is uncertain from year to year. PPE, bus monitors, substitutes, technology etc. will be looked at.

Referring a memo from Dawn Norton regarding COVID spending to date, Dr. DaSilva reviewed COVID spending and reported that expenses are being incurred as needed. Mr. Rettger, noted that a significant portion of the \$660,000 spending was for facility expenses and asked if some of the spending was attributable to the last fiscal year or was it all current fiscal year? With regard to additional expenses with the worst-case scenario where the schools needed to close again, he asked whether some of the projected could be turned off if not needed?" Dr. DaSilva responded that all of the \$660,000 was incurred in the current fiscal year and that some expenses can be avoided if not required by circumstances. The list grows as plans are being finalized for the students to return to school."

The final decision on opening schools has not been made as of last BOE meeting. The low risk model is the most expensive, remote learning is least expensive. The Custodial overtime in the hybrid model is expensive due to deep cleaning.

**Elizabeth Hannaway,** RPS staff member. The Special Ed population has increased each year. There has been a growth of 150 students within Special Ed within the past 3 years which is a large jump. Over 13% of the student population is Special Ed and the BOE is seeing an intensity of needs for these students. The numbers continue to increase as more families move into town than move out of town.

## **VII. Discussion of Non-lapsing Account:**

Mr. Rettger offered the following resolution as follow up to the prior meeting's adoption of a Covid 19 expense account:

Whereas, the Ridgefield Board of Education ("BOE") has estimated that it will realize a net budget surplus for the 2019-2020 fiscal year of approximately \$1.6 Million, of which \$1.1 Million has been taken into account in settling the Town's overall financial accounts for the 2019-2020 fiscal year and in developing the 2020-2021 overall budget and mill rate;

Whereas, the BOE has identified the potential for significant expenses that will be needed to address Covid19-related activities and purchases in its planning for the re-opening of Ridgefield schools for the coming year, none of which were contemplated in the development of the BOE 2020-2021 budget as approved by the Board of Finance ("BoF") on May 21, 2020;

Whereas, Section 10-248a of the Connecticut General Statutes authorizes the BoF to establish a special account for the purpose of carrying over unexpended funds from a prior fiscal year's education appropriation into the following year's education budget, subject to certain limitations;

Now therefore be it Resolved:

That the BoF authorizes the creation of a notional carryover account ("Covid19 Account") under the authority of Connecticut General Statutes Section 10-248a to be used to supplement the BOE's 2020-2021 budget authorization, in an amount equal to the BOE's final 2019-2020 fiscal year budget surplus in excess of \$1.1 Million, but not to exceed \$400,000, subject to the following conditions:

- That the balance in the Covid19 Account shall only be used for Covid19-related expenses that were not contemplated in the original approved BOE budget;
- That expenditures from the Covid19 Account shall adhere to all existing BOE controls and procedures as to authorization, approvals, documentation, and accounting;
- That there shall be no encumbrances made against the Covid19 Account that extend into the subsequent fiscal year without prior consultation and approval by the BoF;
- That all reimbursements and recoveries which the BOE receives or expects to receive from any source for Covid19-related expenses shall be taken into consideration as offsets to outlays in the final 2020-2021 fiscal year accounting of the Covid19 Account;
- That quarterly and at the close of the 2020-2021 fiscal year the BOE shall provide to the BOF an accounting of the Covid19 Account, including both expenditures and Covid19-related recoveries, and that any net positive balance in the Covid19 Account shall revert to

the Town of Ridgefield General Fund as of the end of the 2020-2021 fiscal year, unless extended by mutual agreement of the BoF and the BoE.

It is understood that the establishment of this special appropriation does not preclude the BOE from making a request for an additional operating appropriation under the provisions of the Town Ridgefield Charter Section 10-2.

Mr. Rettger noted that the final section of the proposed resolution was probably not required, but that it had been requested by the BOE for clarification.

Several members asked Mr. Rettger why the resolution included the cap of \$400,000. Mr. Rettger responded that when he proposed the initial resolution at the last meeting, the estimated surplus was about \$1.4 million, making the carryover amount about \$300,000-\$400,000. Now we have learned that the estimated BOE surplus was around \$1.7 million, having increased by several hundred thousand dollars in just the past week. He did not want this account to be an open-ended checkbook. Several members commented that since the BOE spending was already more than \$400,000, they did not see the need for the cap at that level.

The motion was seconded by Mr. Ulmer. Mr. Ulmer [check this – not sure who made this amendment motion] offered an amendment to the motion, changing the limit on the account from \$400,000 to \$700,000.

Vote on amendment of motion to change “not to exceed from \$400,000 to \$700,000” was adopted by a vote of 3-2. Greg Kabasakalian, and Mike Rettger opposed.

Vote on resolution to accept as amended of 4-1. Greg Kabasakalian opposed.

In response to a question by Ms. Freidenrich, Mr. Greg Kabasakalian stated that he feels that the account sets a precedent. The money has already been spent and more will be spent. If the BOE needs more money they’ll have to come to the town. We don’t know who else will need more money; highway, town hall etc.

Other BOE Topics: Mrs. Freidenrich asked for an update on the BOE bank accounts. Per Dr. DaSilva, the BOE finance subcommittee is reviewing the bank accounts and recommendations and suggestions are being made for the clarity of bank accounts and best practices.

Dawn Norton addressed building rentals account. She reported that at the end of each year the balance is drawn down considerably to pay for maintenance and electricity. The cash balance is approximately \$120,000 but the ledger balance is close to zero. This is a priority of the BOE to address.

**VIII. Controllers Report- Kevin Redmond, Director of Finance** as of June 30, 2020, revenue unfavorable. \$1.1 million and expense favorable by \$700,000, better than forecasted. There are still payables outstanding. Could move another \$30-\$40,000 on expenses. Expenses will be better than forecasted. On revenues, conveyance is stronger. Golf came in at \$52,000 under budget. Receivable for educational cost sharing is set up. Next month the town and BOE numbers will be

firm; slightly better than expected. FEMA for recent storm: no figures as to what was spent for the storm. The town is accounting for these as a FEMA event. There is a different accounting system for storm expenses. There is cleaning up on debt payments and contractual obligations needed to be done.

**IX. Old Business-** None

**X. New Business-**In response to a question from Mrs. Frieidenrich, Mr. Ulmer said he expects the BOF meeting will continue with Zoom meetings until further notice. There was also a discussion of the possibility of moving the planned November 17, 2020 Tri-Board meeting to an earlier date.

**XI. Adjournment-**motion to adjourn at 9:20 pm by Mike Rettger, seconded by Karen Ogden. All in favor.

\*Next meeting; September 15, 2020

Respectfully Submitted by,

Mia Belanger

\*Thank you to Mike Rettger for facilitating with the Zoom process.