



Town of Ridgefield Board of Finance

Approved BOF Meeting Minutes Tuesday February 15, 2022

I. Call to order

Dave Ulmer called the Board of Finance meeting to order at 7:00 PM on February 15, 2022 via Zoom. Board Members Dave Ulmer, Greg Kabasakalian, Mike Rettger, Andrew Okrongly and Karen Ogden present.

Others Participating:

Town Staff: Kevin Redmond, Controller; Jane Berendsen-Hill, Tax Collector

RPS Staff: Dr. Susie DaSilva, BOE Superintendent; Dawn Norton, BOE Business Manager; Dr. Elizabeth Hannaway; Dr. Anthony Showah; Cory Gillette

Others: Jonathan Steckler, BOE Chair; Leslie Zoll, Lead Auditor, CLA

II. Public Comments

None

III. Approval of Minutes

Motion by Mr. Rettger to accept January 18, 2022 minutes with no changes, seconded by Ms. Ogden. All in favor.

IV. Treasurer's Report

Members reviewed the January 31, 2022 Treasurer's Report, which had been distributed in advance of the meeting**. Mr. Rettger asked Mr. Redmond how the current unrealized loss in the portfolio would be handled at year end if still present, as he did not think it was correct to run it all through the income statement. Mr. Rettger and Mr. Redmond will meet to discuss this question along with the Treasurer.

V. Tax Collector Report

Ms. Berendsen-Hill presented the Tax Collector Report which had been distributed in advance of the meeting**. Tax collections remain strong and above budget. Ms. Berendsen-Hill is a little

concerned about the effect on the favorable variance from tax refund requests, mainly coming from car leasing companies having pro-rated motor vehicle bills, as these can be significantly delayed in their processing and are thus unpredictable. She noted that part of the increase is due to higher motor vehicle valuations with the used car current market. This could change in the future under a legislative proposal that would set car taxes at MSRP less a straight-line depreciation formula over time.

VI. Review of Annual Financial Report

Ms. Zoll, the lead auditor for CliftonLarsonAllen, presented a report of the audit of the Town's 2021-22 Annual Financial Report. After highlighting key statistics and financial results from the document, she reported that the Town had received a "clean" audit opinion and there were no issues arising from the compliance reviews of federal and state grant program funds that were selected for audit. The audit was completed with good cooperation and interaction with the finance staff, and there were no disagreements from those interactions to highlight.

Ms. Zoll discussed three areas of suggested changes in financial management practices, all of which have been highlighted in prior audits as well:

- BOE cash accounts - These are done manually using spreadsheets, which increases the risk of errors and controls. The auditors recommend that these accounts be processed through the RPS accounting system like other cash accounts
- Capital asset reporting - These records are also maintained on spreadsheets. The auditors recommend use of dedicated financial software to maintain this data.
- Fraud Risk Assessment - The auditors recommend the town consider having a formal fraud risk assessment to determine potential weaknesses and to identify where additional controls may be needed.

VII. BOE Financial Report

Ms. Norton reviewed BOE Financial Report, which had been distributed in advance of the meeting**. Among recent developments, she noted that RPS has locked in a new electric contract through November 2022 and an oil contract through the end of June 2022.

In response to a request from the previous BOF meeting, Dr. Da Silva reviewed information on ESSER and ARP IDEA grants that have been received or applied for by the district. Dr. Da Silva noted that all of these grants must be directed to the specific uses defined under each program.

ESSER Grant: Grant of \$94,454, spent early on technology and distance learning.

ESSER II: Grant of \$437,591, spent on the summer Bridge program and tutoring programs.

ARP ESSER: Grant of \$983,462. Dr. Da Silva noted that this grant has a longer time frame for being spent. It is planned primarily for the summer Bridge program and tutoring programs, but a portion may be used to pay for Special Education transportation support.

ESSER II Special Ed Recovery Grant: Grant of \$800,000 specific for tutors (instructional, non-payroll)

ARP IDEA- Grant of \$212,946, planned to be used for Special Education tuition payments for in and out of district.

VIII. Special Education Report

Dr. Da Silva, Dr. Hannaway, and Dr. Showah presented a report on Special Education information, which had been provided in advance of the meeting** and had been requested by the BOF. The group indicated the purpose of their presentation was to provide background regarding the requirements for providing Special Education services and to describe the parameters under which RPS develops its budget for special education programs. The prevalence rate of students needing special education services was 14.5% of the overall student population for the 2020-21 school year. This rate is comparable with that of many surrounding districts. The prevalence rate and program costs have been increasing in the past decade, both in district and statewide. Sources of funding for special education programming are Federal 6%, State 29% and Local 65%. The state contribution toward district costs in this area has been decreasing, due both to the structure of the cost-sharing formula as well as to the fact that state funding has remained level despite rising local costs, so there is less money available to distribute across local districts statewide. The group also reviewed exhibits providing additional detail on elements contributing to program costs.

In response to questions, it was noted that some Special Ed costs are paid from various federal grants that are available specifically for Special Education program expenses, and that these costs would need to be paid from within the operating budget if the grants were not available. It was reported that in the RPS 22-23 budget, the special education budget represents 16% of the total proposed budget. After discussion of some additional questions, the members indicated that the information in the report was very helpful and thanked the RPS staff for their work to prepare the report.

(Note: In response to questions in the discussion, Ms. Norton researched the questions and rejoined later in the meeting to report that the 16% estimate provided in the Special Ed discussion includes transportation costs but does not include benefits for the Special Education teachers and paraprofessionals.)

XI. Controller's Report

Mr. Redmond reviewed the town budget report and revenue forecast, which had been distributed in advance of the meeting**. He reported that the town is favorable \$600,000 on taxes and that conveyance and recording are still strong. An expense of \$348,000 for Covid tests appears under the First Selectman's cost center; this will be netted out now that reimbursement from ARPA funds has been approved by the BOS, BOF, and town meeting. Mr. Redmond highlighted several areas of spending that he is closely monitoring:

- IT is over budget, driven mainly by technology needed to implement multi-factor authentication as required by our Cyber insurance policy.
- Fire Department OT has exceeded budget because of vacancies, most of which are now filled.
- The Tree warden is at 78% of budget. Future tree work is suspended unless an emergency for the rest of this year.
- Building maintenance has had some high cost repairs due to the older ages of some buildings and equipment.
- There was a recent increase in the snow removal expenses due to snowstorms coming on weekends, thus incurring overtime.

In response to a question, Mr. Redmond reported that most of the budget for road maintenance has been utilized. There is \$300K unspent against the original \$1.167M approved in the Tertiary Roads capital budget.

IX. Old Business

No additional ARPA sub-committee meetings have been scheduled at this time.

X. New Business

1. Mr. Rettger reported that he and Mr. Okrongly had developed some exhibits and analysis of budget trends over the past 10 years, and had shared them with the members. In response to his question, the members agreed that the BOS and BOE might also find the information helpful and had no objection to Mr. Rettger and Mr. Okrongly sharing their exhibits with those boards.
2. The members discussed the format for the upcoming budget sessions at the end of March and agreed that it would be preferred to hold the sessions in person if possible.
3. It was requested that we arrange for the Tax Assessor, Al Garzi, to meet with the BOF sometime after the completion of the budget process, to discuss the tax reassessment currently underway.

XI. Adjournment - Motion to adjourn at 9:30 p.m. by Mr. Rettger, seconded by Ms. Ogden. All in favor. Next meeting March 15, 2022 tentatively to be held in person.

Respectfully Submitted by,

Mia Belanger

** Materials that were distributed in advance of the meeting in the BOF members' packets are maintained on file in the Controller's office.