



Town of Ridgefield Board of Finance

Approved BOF Meeting Minutes

Tuesday June 20, 2023

I. Call to order

Dave Ulmer called the Board of Finance meeting to order at 7:00 PM on June 20, 2023 in the Town Hall large conference room. Board Members Dave Ulmer, Mike Rettger, Joe Shapiro, Greg Kabasakalian and Andrew Okrongly present.

Others Participating: Kevin Redmond, Controller; Molly McGeehin, Treasurer; Jane Berendsen Hill, Tax Collector; Susie Da Silva BOE Superintendent; Jill Browne BOE Business Manager; Sean McEvoy, BOE board member. Other meeting participants from WCPA and RAC are listed below in those sections of the minutes.

II. Public Comments-None

III. Approval of Minutes - Motion by Mr. Rettger to approve the minutes of May 9, 2023, seconded by Mr. Kabasakalian. All in favor.

Motion by Mr. Shapiro to approve the minutes of the special meeting June 6, 2023, with correction. Seconded by Mr. Ulmer. 4-0 in favor. Mr. Rettger abstained as he was not present for the meeting.

IV. BOE Financial Report - Ms. Browne reviewed the BOE financial report, which was distributed in advance of the meeting**. The BOE has expended and obligated \$105,120,100 of their \$106,600,490 budget which represents approximately 98.5% of their appropriation. There is currently estimated to be a \$1.48 million surplus balance at the end of the school year, substantially all of which is expected to be returned to the town's surplus account. Most of the surplus is attributable to a premium refund on health insurance received due to favorable claim experience. In addition, various internal transfers, relating primarily to transportation, furniture, and security, have been approved within the current budget by the BOE, with the details

documented on the BOE website. Ms. Browne and Dr. da Silva responded to questions from the members about details in the report. In response to members' questions, Ms. Browne indicated that the operational changes instituted this year for purchasing and accounting have been effective, so that the district feels well prepared for the upcoming audit of June 30 reports.

V. WPCA Update – WPCA chair Amy Siebert and WPCA consultants Jon Pearson and Matt Formica presented and reviewed a report on the operational and financial status of the Wastewater Treatment Facility Upgrade Project. Maureen Kozlark, BOS and WPCA member, participated via telephone.

The WPCA representatives reported that the WPCA currently estimates that the South Street Upgrade portion of the project will be completed by early January 2024, as the result of significant delays in the project due to the Covid situation and to supply chain shortages and delays. The Route 7 Substation decommissioning portion of the project, including the installation of the forced main, is currently expected to be completed in late April 2024. Currently, the combined project has a cost of \$56.7 million, with anticipated offsetting grants of \$13.5 million, for a net cost of \$43.2 million. This compares with initial project cost projections in 2018 of \$48 million with grant offsets of \$11.5 million, for a net cost of \$36.5 million. The additional net cost has been funded by the \$2.9 million of ARPA funds approved by the town in 2021, with the balance coming from WPCA reserves. At this time the remaining budget for the project combined is \$13.9 million.

In response to members' questions, the WPCA representatives reported that the remaining budget should cover project costs, but does not reflect any budget effects should there be disputes over contract terms due to the project timeline delays. The WPCA will continue to provide updates on the project as request by the BOF.

VI. Treasurer Report - Ms. McGeehin reviewed the Treasurer's Report, which was distributed prior to the meeting**. Year to date income is \$1,085,400 compared to the original budget of \$168,555, due to the substantial increase in market yields over the past six months, as well as the additional investable funds from the town's bonding in late 2022. Ms. McGeehin noted that there are several holdings that will be maturing in the next three months, and that her current expectation is to re-invest those maturing funds into one-year Treasury securities given current yield rates. Mr. Rettger reported that he and Mr. Okrogley had done some analysis for Ms. McGeehin of the option of liquidating the remaining 2024-2025 maturities and re-investing those proceeds at current market rates, but that this option would not make sense given the proceeds that would be realized if these holdings were sold, even with the current higher yield levels.

VII. Tax Collector Report - Ms. Berendsen Hill reviewed the Tax Collector's Report, which was distributed prior to the meeting**. She is projecting to finish the fiscal year between \$1.3-1.4 million over budget in total tax revenues. Recent contributors to this result include the proceeds from recent tax sales and from a sizeable deferment that has been paid off. July tax bills are going into the mail next week.

VIII. Motion- Mr. Rettger moved to bring the Barlow Mountain Pool capital request forward in the meeting agenda. Seconded by Mr. Okrongly. All in favor.

IX. Barlow Mountain Pool Capital Request – Ridgefield Aquatics Club (RAC) board members Jason Muncy and Vince Delusio, and Dennis DiPinto, Ridgefield Parks & Rec director, reviewed a request for a special capital appropriation of \$375,000 for improvements to the Barlow Mountain Pool facility, a copy of which had been distributed in advance of the meeting**. If approved, the funds will be used for improvements at the Barlow Mountain Pool include locker rooms, washroom facilities, safety improvements, and various cosmetic improvements. The RAC will be providing matching funds from its reserves in an equal amount, to cover various improvements to the facility being done this year and to cover the balance of the 2025 project costs beyond the town's funds. The request has been reviewed and approved unanimously by the BOS.

Members expressed concern about the timing of the request, coming just two months after the completion of the normal budget process, and asked Mr. DiPinto why the request had not been included with the rest of the Parks and Rec Department's capital proposal for 2023-24. Members expressed concern that this special request was coming on top of several "off-cycle" capital requests that had been made during the past year, and that the town was not being disciplined in following the budget process.

At the same time, the members commented that they felt the request had merit and was important to the on-going maintenance of the Barlow Pool facility, and that the RAC and other users of that facility should not be penalized by the BOF's concern about the timing.

After further discussion, a motion was made by Mr. Rettger to approve the request as presented, seconded by Mr. Kabasakalian. All in favor.

X. Controllers Report - Mr. Redmond reviewed the Controller's Report, which had been distributed in advance of the meeting**. He is currently projecting a combined surplus from revenues and expenses of \$5.7 million favorable, compared to budget. This compares with the estimate of \$3.6 million favorable that was used in the 2023-24 budget discussions. Changes to that prior estimate include higher tax revenues, continued higher investment income, an additional \$400,000 in budget surplus from the BOE, an unplanned \$400,000 grant received from the State, and a small favorable expense budget variance from the town.

BOF members reviewed the engagement letter for the upcoming year-end audit from the town auditor, CliftonLarsonAllen, which had been distributed in advance of the meeting**. Mr. Redmond reported that the content of the letter was substantially the same as last year's communication. Members discussed one point of the letter concerning fraud assessment, and asked Mr. Redmond to request CLA to meet with the BOF at a future meeting to make a specific proposal for a fraud assessment engagement, including recommended scope and estimated cost.

XI. Old Business -

1. ARPA – Mr. Rettger noted that the Town Meeting had recently approved the sale of the property associated with the secondary waste treatment plant for approximately \$400,000, which under the terms of the ARPA grant approved in 2021 would come back into the ARPA account. There may be a timing issue in that the sale may not close until the completion of remediation in late 2024, which is also the time by which the town needs to commit any remaining ARPA funds. Mr. Rettger offered to research the timing question in more detail and report back to the BOF at its August meeting.
2. Fund Balance Policy – Mr. Rettger distributed an analysis of possible reserve level policy targets relative to estimated future budgets, and indicated that he would distribute the spreadsheet involved so members could perform their own analyses. The members agreed to include this topic on the August meeting agenda for more detailed discussion. The members also requested Mr. Redmond to see if he could find examples of formal reserve policies that have been adopted by comparable Connecticut towns, also to be available for the August meeting discussion.

XII. New Business - none

XIV. Adjournment - Motion to adjourn at 9:20 p.m. by Mr. Rettger, seconded by Mr. Kabasakalian. All in favor. Next meeting August 15, 2023.

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.