



Town of Ridgefield Board of Finance

September 19, 2023
Approved Meeting Minutes

1. Call to order

Dave Ulmer called to order the Board of Finance meeting at 7:00pm in the Town Hall large conference room. Board members Joe Shapiro, Mike Rettger, Andrew Okrongly and Greg Kabasakalian were present.

Others present: Director of Finance Kevin Redmond; Town Treasurer Molly McGeehin; Tax Collector Jane Berendsen-Hill; RPS Superintendent Susie Da Silva; RPS Director of Finance Jill Browne; Board of Education member Sean McEvoy; Matt Sporerndle, Phoenix Advisors (via phone); Mamasasco Lake Improvement Fund members Barbara Hartman, Kitty Fischer, and Dean Williams.

2. Public Comment

There were no public comments.

3. Approval of Meeting Minutes: August 15, 2023

Motion by Mr. Rettger to approve the minutes of August 15, 2023 as presented. Seconded by Mr. Kabasakalian. All in favor.

4. Board of Education Financial Report

Ms. Browne reviewed the Board of Education financial report for the fiscal year ending June 30, 2023, which was distributed in advance of the meeting.** Ms. Browne reported that this report reflects corrections from a preliminary version that was circulated earlier. A reconciliation with the help of the town treasurer identified an error to the accrued payroll amounts for the final pay period, which has been corrected

in the updated version. Ms. Browne reviewed the budget results for each major line item, and discussed several areas where transfer had been approved to cover needed but unplanned spending, such as overages in utilities and several equipment and maintenance items.

Overall, the district budget results in a net surplus of \$1,673,873, which will be returned to the town's general reserve balance. The sources of the surplus are substantially due to a premium refund in the healthcare line, which has been discussed in prior meetings, and to favorable claims experience in worker's comp and unemployment insurance.

Motion by Mr. Rettger to bring the Treasurer and Tax Collector reports forward on the agenda. Seconded by Mr. Okrongly. All in favor.

5. Treasurer's Report

Ms. McGeehin reviewed the Treasurer's report, which was distributed in advance of the meeting.** She commented that the Town is in a good position with cash flow. There is a treasury bill maturing this month for about \$5.3 million that she expects to roll over into another one year maturity, given rates. She expects to do the same with another maturity of about \$2 million in October. The latter item was purchased at a much lower yield in 2021, so the expected new rate will be a big pickup to the current year investment income.

6. Moody's Rating

Matt Spoerndle of Phoenix Advisors, the town's bond advisor, joined the meeting via phone. Mr. Spoerndle had been invited by the board to discuss the recent review of Ridgefield's credit rating by Moody's. He reported that the trigger for the review was the change in Moody's model methodology combined with the timing. While Moody's continues to place high weight on a town's unassigned fund balance, they now also look at liquidity among other things. In Ridgefield's case, some delays in the normal cycle of bond issuance resulted in an unusually low liquidity position in 2021, which brought the town onto the watchlist for review. In the end, the AAA rating was affirmed, and the liquidity situation is unlikely to recur.

Mr. Spoerndle responded to questions from the members regarding the on-going BOF discussion of possible changes to its current reserve guidelines. He indicated that having a formally adopted policy would be given much stronger weight by Moody's in comparison with the informal guideline under which the BOF now operates. He indicated that there was no specific target range for surplus position, and that other

towns with high credit ratings operated under a range of targets. He felt that any policy should focus on overall reserve level along with consideration of liquidity. Mr. Sporerndle provide his thoughts on several policy options that members were considering, and indicated that he could assist in seeking Moody's informal response on options the BOF might consider.

The members discussed adding an agenda item to the next meeting to continue working toward a possible change in reserve policy.

7. Tax Collector's Report

Ms. Berendsen-Hill reviewed the tax collector report, which was distributed in advance of the meeting.** Collections continue to look favorable, with the added benefit of the effects of the tax sale last fiscal year.

Motion by Mr. Rettger move the Mamasasco Dam Improvement discussion forward on the agenda. Seconded by Mr. Kabasakalian. All in favor.

8. Mamasasco Dam Improvement Fund Budget Allocation Request

The members reviewed a request from the Board of Selectmen to approve an additional budget appropriation for the current year, to fund a request by the Mamasasco Lake Improvement Fund (MLIF) for \$45,900 to pay for a portion of the work being done by MLIF to upgrade the Mamasasco Lake Dam. The special request had been approved by the BOS at its August 16 meeting.

Barbara Hartman, Kitty Fischer, and Dean Williams of MLIF reviewed the details of the request, which was distributed in advance of the meeting.** The improvements involve raising the height of the dam and other work to improve the dam's structural integrity. The work will begin next summer when the water levels are lowest, but various permits are needed to do that, which is the basis for the funding request. The total cost of the project, including permitting, is estimated to be \$150,000. If approved, this request along with a prior grant from the town of \$23,000, would cover about 45% of the cost, with MLIF covering the remainder from its own funds and grants.

Mr. Kabasakalian expressed concern that even though this was a smaller amount, the request was another off-cycle budget request coming to the BOF. Mr. Rettger said that he had been at the BOS meeting, and it was clear from First Selectman's comments that the BOF concerns about off-cycle requests had been heard and understood. Mr. Shapiro asked questions about the previous level of maintenance to the dam, and

whether there was a clear understanding and commitment to future maintenance on the part of MLIF. Members confirmed with Mr. Redmond that the request should be considered as coming from the First Selectman/BOS as the requesting town agency under the Charter, and discussed that given the amount was under \$50,000, only BOF and not Town Meeting approval was required.

Motion by Mr. Shapiro to approve the request from the Board of Selectmen for an additional budget appropriation of \$45,900 be approved, to be used toward the Mamanasco Dam improvements as proposed. Seconded by Mr. Rettger. All in favor.

9. Controller's Report

Kevin Redmond reviewed the controller's report, which was distributed in advance of the meeting,** and responded to members' questions.

10. Old Business

Mr. Okrongly discussed a financial model he had distributed to the members, which compared the cost of maintaining higher reserve fund levels with the potential budget effect of higher debt service costs in the event of a credit rating downgrade. He had developed the model as a tool for members to use in their consideration of the credit policy discussion. Based on information that had been provided by Mr. Sporerndle in the earlier discussion, Mr. Okrongly was requested to update his model with different set of alternative funding rates.

11. New Business

Mike Rettger noted that the Town Charter requires a formal master budget schedule be distributed by November. This topic will be added to the October meeting's agenda.

The Board discussed the idea of using the conference room in the Annex for future meeting, to take advantage of the display board capabilities there. They will check the Playhouse schedule in case parking is an issue.

Motion by Mr. Okrongly to adjourn the meeting at 8:59pm. Seconded by Mr. Kabasakalian. All in favor.

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