

APPROVED
MINUTES FOR THE BOARD OF FINANCE SPECIAL MEETING
TUESDAY, DECEMBER 21, 2010

A regular meeting of the Board of Finance was held on Tuesday, December 21, 2010 in the Ridgefield Town Hall at 7:00 p.m.

Members Present: Peter Gomez, Chairman; Jill Bornstein, Vice Chairman; Marty Heiser; David Ulmer and Margaret Price Sims

Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller; Paul Hendrickson, Business Manager, BOE; Dr. Deborah Low, Supt. Of Schools; Karen Berasi;

A G E N D A

1. Approval of the November 29, 2010 Board of Finance Meeting Minutes
2. Tax Collector's Report
3. Treasurer's Report
4. Request for Emergency Capital Appropriation (Barlow Boiler) – Joe Moritz & Paul Hendrickson
5. BOE Financial Review – Paul Hendrickson
6. Town Financial Review – Kevin Redmond
7. Draft of CAFR (Comprehensive Annual Financial Report)
8. Updated Lease Rental Analysis
9. Review/Approval of 2011 Meeting Schedule
10. Old Business
 - a. New Business
 - b. Communications & Correspondence
11. Adjournment

Mr. Gomez called the meeting to order at 7:01 p.m.

APPROVAL OF PRIOR MEETINGS' MINUTES

A motion was made by Mr. Heiser and seconded by Ms. Sims to approve the Minutes of the Board of Finance's October 19, 2010 meeting.

Vote: 4-0-1. (Mr. Gomez abstained) Motion APPROVED.

TAX COLLECTOR'S REPORT

Fiscal Year Ending 6/30/2011							Prior YTD
TAX COLLECTOR'S REPORT (\$ in millions)						%	as %
	BUDGET	Q1	Oct	Nov.	YTD	Collected	of Actual
Current Taxes	\$109.7	\$33.1	\$21.4	\$2.8	\$57.3	52.23%	52.21%
Supplemental MV	\$0.6	\$-		\$-	\$-	0.00%	0.00%
Prior Year Clctns	\$0.6	\$0.2	\$0.1	\$0.2	\$0.5	87.32%	62.84%
Int. & Lien Fees	\$0.4	\$0.1	\$-	\$0.1	\$0.2	45.11%	63.66%

TREASURER'S REPORT

Investments as of		
11/31/2010		
	<u>Amnt Invested</u>	
MBIA	\$5.13	0.24
Mrl Lynch/BOA	\$251,294.00	1.25
Ridgefield Bank	\$3,483,190.66	0.23
STIF	\$408,301.70	0.22
Union Savings-MMA	\$ 222,757.73	0.24
Union Savings	\$7,535,062.35	0.60
Wachovia	\$5,076,111.32	0.35
	\$ 16,976,722.89	
YTD Interest Earned		
Mrl Lynch/BOA	\$1,094.00	
Ridgefield Bank	\$6,606.97	
STIF	\$229.00	
Union Savings	\$20,843.41	
Wachovia	\$1,175.63	
	\$ 29,949.01	

REQUEST FOR EMERGENCY CAPITAL APPROPRIATION (Barlow Boiler)

Mr. Hendrickson and Mr. Moritz explained the current condition of the Barlow boilers, what has happened to them and how their problems have been addressed, using such esoteric terms as “thermal shock” and allowing as how chlorine had found its way into the boiler(s).

In the spring of 2010 the BOF visited Branchville School and examined the boiler at that time. As a result of that visit, the BOF asked the Town Engineer to prepare a list of all the Town’s/School’s boilers and rate the condition of each. Barlow’s boilers were not cited as problematic on that list. In light of the current problems with the Barlow boilers, the value of the Town Engineer’s entire list is questionable. The BOF expressed its frustration with the unreliability of the boiler evaluations and the resultant inability to prioritize a long-term capital replacement plan.

After considerable discussion it was agreed that Barlow Mt. School had, at the present time, adequate heat and hot water and no emergency regarding either. Mr. Gomez noted that we are five months into the current year and the BOE is asking for an appropriation for this boiler before trying to find the necessary funds in its budget. Mr. Gomez said he could not endorse the appropriation without knowing what the insurance claim will yield. Dr. Low stated that she understood the BOF’s position and suggested waiting for the insurance report and seeing where the BOE’s finances are in a couple of months.

Mr. Ulmer noted that this is a special capital request, it is not an operating request, the main difference being who pays for it and when.

Ms. Bornstein made and Ms. Sims seconded a motion to table the BOE's request for a special appropriation for the Barlow boiler until further details are known.

VOTE: 5-0. Motion **APPROVED**.

In response to an inquiry from the BOF regarding the potability of Barlow's water, Mr. Moritz said the water is out for testing now, and the bottled water will continue to be used until January. The school has one dozen new drinking fountains which were paid for (\$3K each) out of the school's maintenance budget.

BOE FINANCIAL REVIEW

The State re-imbursement of money expended on school building projects was discussed. Mr. Redmond reminded everyone that money received would be allocated to the accounts which have been advanced funded and currently show deficits, which he estimates in the \$500k range.

Mr. Gomez questioned the upfront funding of the BOE's contribution to employees' health savings accounts, and Mr. Hendrickson explained that each person gets a savings account which has to be funded as of July 1st, resulting in a "blip" in July which is amortized over the rest of the year. At this point in time, Mr. Hendrickson said it appears the net savings versus budget will be approximately \$75k.

Mr. Gomez asked about the \$930k pension contribution and the \$190k OPEB (other post employment benefits) contribution, and Mr. Hendrickson said both were included in the 2010/2011 budget. Ms. Bornstein asked if those amounts included anything for the MIRMA payment, and Mr. Hendrickson responded: "No, that predated any discussion on MIRMA." Ms. Sims asked Mr. Hendrickson when he was informed about the BOE's MIRMA obligation, and Mr. Hendrickson responded "March". Dr. Low interjected that the March information was in the form of "here is the mess", no price tag was forthcoming until just a few weeks ago.

Mr. Heiser asked what percentage of teachers elected to HSA option, and Dr. Low answered 29.9%. She elaborated by saying that the HSA is the only option for administrators and it is one of two options for the paraprofessionals and the secretaries. The BOE negotiates the custodians' contract this year and Dr. Low anticipates HSA will be an option in those negotiations.

Mr. Gomez asked Mr. Redmond about the anticipated MIRMA payout. Mr. Redmond said he thought it could be an accruable item but the auditors said it was too late for that. Mr. Ulmer noted that this year's MIRMA payment was more than the self-insurance fund. Mr. Gomez asked if the BOS had voted on funding the MIRMA obligation out of the self-insurance fund and Mr. Marconi answered that it was not a formal vote but a general consensus. Mr. Gomez suggested the BOS collect the BOE's MIRMA obligation over a period of four years rather than trying to collect it in one payment.

Karen Berasi reviewed the Special Education budget of \$880k, all of which was obligated through the end of the year. Based on the December submission to the State for special education, she anticipates receiving slightly above that \$880k in February, roughly 75% of the entire budget. Anything above \$65,704 is excess cost. Mr. Low reminded everyone that these calculations were based on two assumptions: 1) the 75% and 2) the state audit. Mr. Hendrickson added that he had just finished meeting with the State auditor today. Ms. Berasi is concerned because there are currently three or four new students in pre-school programs with "intense" needs for the most expensive services. There are currently 26 outplacements and one pending, only twelve of whom are in the excess cost area. That could all change tomorrow, which is what makes special education budgets so worrisome. There are five settlement agreements pending which run from \$182k to

\$300k. In response to a inquiry from Mr. Gomez, Ms. Berasi said this was in line with last year's experience. Dr. Low explained that pre-school has rolling admissions and you do not know about those children's needs and there is no way of budgeting for that. Ms. Bornstein asked if problems were anticipated and Ms. Berasi responded: "We are okay right now."

Mr. Ulmer asked when children are evaluated and Ms. Berasi responded that an IEP must be done by the child's third birthday, but some parents do not inform the BOE until their child's third birthday. Ms. Berasi said that grant money is spent on salaries that increase over time while the grant money does not increase. This is a two-year federal grant, applied for in May and received in September. This year the amount of the grant was \$869k. Ms. Berasi said she is "quite proud" of what her staff has accomplished in terms of building "in-district" capacity.

TOWN FINANCIAL REVIEW

Mr. Redmond started with Parks & Recreation which is now down \$100k which Paul Roche thinks he can cover. Competition among similar facilities in the area was discussed.

Fire Department overtime was discussed. Mr. Marconi noted that the Department currently has several men out on disability which requires overtime to maintain minimum staffing requirements. Mr. Redmond stated that Fire Chief Burford intends to cover the overtime from within the Department's budget. Mr. Ulmer noted that the regular salary account should be benefitting from the men out on disability, but it does not appear to be.

Mr. Redmond observed that the legal budget line is running under budget.

Mr. Gomez asked about the \$217k that MIRMA is expecting from Ridgefield. Mr. Marconi explained that MIRMA anticipates a good cash flow through May/June 2011. It has completed its cash flow needs, but has not yet re-allocated it to all the towns. The next MIRMA meeting is scheduled for January 20, 2011 when new assignments will be handed out. The initial \$174k payment to MIRMA was a reduction of the Internal Services Fund which is now about \$125k. Mr. Marconi said the Town's total exposure to MIRMA could be \$1MM\$45k. The payment schedule is thought to be: payment #3 July 1, 2011; payment #4 July 1, 2012; and payment #5 July 1, 2013, with the BOE paying 40% to the Town's 60%. The Town was covered under MIRMA for fiscal years 2007, 2008, and 2009. Mr. Marconi said that we saved money, but there are outstanding claims from that time period. They are not closing them out quickly enough. Mr. Redmond said that premiums were determined by a three-step formula encompassing everyone's premiums to the total losses.

The BOF considered a special appropriation and using the Town's Contingency line item, but ultimately decided to postpone its decision regarding funding of the MIRMA obligation.

DRAFT OF COMPREHENSIVE ANNUAL FINANCIAL REPORT

Mr. Redmond gave each BOF member a copy of the draft CAFR.

UPDATED LEASE RENTAL ANALYSIS

BOF reviewed the property lease analysis prepared by Mr. Redmond. Mr. Gomez asked to have a column added showing who is responsible for the maintenance of each property.

REVIEW/APPROVAL OF 2011 MEETING SCHEDULE

NEW BUSINESS

OLD BUSINESS
COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Ulmer and seconded by Ms. Sims to adjourn the meeting at 9:32 p.m.
Vote: 5-0. Motion **APPROVED**.

Respectfully submitted,
Karen Rodgers, Recording Secretary