

**APPROVED BOARD OF FINANCE MINUTES – REGULAR MEETING
TUESDAY, MAY 20, 2008**

A regular meeting of the Board of Finance was held on Tuesday, May 20, 2008 in the conference room in Town Hall at 7:30 p.m.

Members Present: Marty Heiser, Chairman; Kevin Walsh, Vice Chairman; David Ulmer, Peter Gomez, and Robert Cascella
Town Officials: Rudy Marconi, First Selectman; Jay Wahlberg, Controller; John Mannuzza, Assistant Controller; Deborah Low, Supt. Of Schools; Jane Berendsen-Hill, Tax Collector; Selectmen: Barbara Manners, Di Masters, Joan Plock, and Andy Bodner
Guests: Keith Miller, BOE Chairman

A G E N D A

1. Discussion of FY 2008 Reforecast
2. Board of Selectmen FY 2009 Budget Proposals
3. Board of Education FY2009 Budget Proposals
4. Board of Finance Deliberations
5. Controllers Report:
 - a. Financial Review
 - b. Transfers
6. Other Items:
 - a. ~~Approval of Prior Meeting Minutes~~
 - b. Old Business
 - c. New Business
 - d. Communications & Correspondence
7. Adjournment

Mr. Heiser called the meeting to order at 7:30 p.m. and read a statement about government by and for the people and noting how Ridgefield voters expressed their opinions when they rejected the proposed Town and Board of Education budgets earlier this month.

BOARD OF EDUCATION FY 2009 BUDGET PROPOSALS

Mr. Miller and Ms. Low joined the BOF at the head table and Mr. Miller passed out copies of the BOE's proposed revisions to its 2008/09 proposed budget. The BOE was able to identify what it thought was \$1,069,300 in reductions to its proposed budget. One component of the reductions was labeled as \$120,000 reduction to town debt service which the BOE thought it could achieve by closing out the

school projects promptly. Mr. Ulmer corrected that assumption by stating that closing out the school projects would have no effect on the debt service, but would increase revenue by the amount of interest earned on the money reimbursed to the Town by the State. "That is not debt service reduction. It is foregone interest. It has nothing to do with lowering our debt." The amount of interest earned would depend on when the money is received and prevailing interest rates.

Mr. Miller went on to say that, when the price of heating fuel went from \$2.80 to \$3.90 per gallon the BOE suffered a substantial cost increase, part of which it was able to offset from monies in its current budget. He asked that the capital appropriation for the Branchville boiler be brought back for reconsideration, reiterating how badly it was needed and how it would be accretive immediately. "The savings in fuel would more than offset the cost of the boiler." The current boiler is forty-four (44) years old and the fear is that the BOE will incur significant (\$30k) repair costs just to keep it operating through another winter. He hypothesized that many taxpayers did not come out to vote because they were satisfied with the budget and the modest increase in taxes.

Mr. Miller said that the BOE has gone back to the bus company and asked for its help by moderating any cost increases. The BOE is discussing the possibility of not replacing five teachers. It has proposed deferring items such as curriculum writing, class room furniture, and new hardware/software. Mr. Miller stated that the BOE is not happy with the deferrals because "you will get twice as much next year." Other items discussed were getting more aggressive on energy management, mothballing the High School during the summer and increasing class size. Referring to page six of his handout as "increased degradations to service", Mr. Miller said: "If you need us to do more, this is the list of items that we would look to."

The value of the math paraprofessionals at Ridgebury was discussed. Mr. Miller said the BOE was very reluctant to do away with them because test results indicated they were very helpful to struggling students. He said, that, whereas other schools had a normal curve, Ridgebury test results no longer showed any students at the bottom of the test curve.

The possibility of closing one of the elementary schools was discussed. Ms. Low explained that a better solution might be a reconfiguration of the grade levels. She was quick to add that this would need to be studied further and was not something that could be implemented in the near term.

Mr. Walsh asked Mr. Miller which, of all the items addressed here this evening, concerned him the most.

Mr. Miller said the BOE tried to make the hard decisions to get costs down and maintain programs.

Mr. Walsh asked if the BOE has locked in a fuel price.

Mr. Miller said no, and there has been a lot of debate about that.

Mr. Ulmer noted that this was the first time in his tenure on the BOF that any reductions in staff have been suggested. He went on to say that union contracts have step increases as well as annual increases and they still teach the same twenty-five (25) people, and unit cost is always going up. He found it ironic that the BOE's budget was not cut by the BOS or the BOF, but by the voters. "For the last four years we have sat here and been bludgeoned that we don't spend the same amount per student as similar school districts. We haven't seen any of that." He said that Ridgefield produces quality education and quality results and that the Ridgefield taxpayers are getting a big bang for the educational buck. "If you do that in

business, you get the Chairman's Award. I appreciate your work on that and I think people should know that."

BOARD OF SELECTMEN FY 2009 BUDGET PROPOSALS

First Selectman, Rudy Marconi, joined the BOF at the table. He informed that BOF that the BOS reduced it requested budget by \$297,729.00. Mr. Ulmer asked if that amount came from the operating budget or capital. Mr. Marconi had no hand out, but read from his list as follows: Capital Projects Financing from \$304k to \$204k, out of those items there were, among others, police cars and computer equipment. Public Recreation, nothing was cut. Information Services was reduced by \$40k from \$140k, down to \$100k which included GIS. Public safety: reduced \$93k budget by \$50k. and the final cut was \$10k made in the door replacements on the school buildings.

From the operating budget the BOS cut \$172,729: \$5k from the Selectman's budget; \$5k from the Central Administration; \$5k from the tax collector's office; \$1,540 from conservation; \$5k from Town insurance (general liability);

Mr. Cascella asked how the BOS was able to make a cut in general liability insurance and Mr. Marconi said that, after the budget, it received a reductions from Seger of \$4,800.00 which it rounded up to \$5k.

Mr. Marconi continued with the cuts: \$1,590 from the Memorial Day parade; (Mr. Marconi explained that these cuts are in the "Community Grants" section of the BOS's budget); Historic District \$100.00; Cemetery Restoration, \$930.00; \$2,500 from youth services; \$4,800 from HART transportation; \$10k from Founder's Hall; \$5k from the 300th Anniversary ; and \$2,500 from Dream Homes Association in Danbury.

Cut from the various departments: \$10k golf course; \$25k Parks & Recreation; \$9,569 from the Tree Warden; \$15k from Police; \$10k from Fire Department; \$4,200 from the Parking Authority; \$5k from the Highway Department; \$5,000 Town utilities, solid waste; \$5k The Barn; \$32k from the Library; \$1k Welcome to Ridgefield; \$2k school buildings engineering account.

The Senior Tax Credit, which had received a \$50k increase for this next fiscal year, had its increase reduced to \$25k

Mr. Walsh asked what the \$15k reduction to the police department meant.

Mr. Marconi responded that the BOS assigned an amount to each department without designating particular items until the department heads could review it.

Mr. Ulmer noted that none of the cuts was large enough to affect head count.

Mr. Walsh asked what the BOS's theory behind attacking the community grants was.

Mr. Marconi responded that all cuts affect people, it's a question of the degree to which you impact people. He said that the voters sent us a message and we tried to do it (make cuts) in the fairest way possible. \$7MM in capital projects that we will not be doing does not impact the mill rate, but it will have an impact going forward.

Mr. Cascella said he agreed that the voters told the Town leaders to cut spending. He asked if the Selectmen discussed anything in terms of raising fees.

Mr. Marconi responded: "Yes." He indicated that the BOS did not kick around any numbers beyond the \$5.00 per round of golf increase for Ridgefield residents. He said: "We are not responsible for revenues and Andy Bodner (Selectman) consistently brings this up at our meetings that we would be able to do that."

Mr. Cascella opined that the boards need to focus on raising some of the fees so that the Town is not subsidizing to the same level that it has subsidized in the past.

Mr. Marconi recounted that Police Chief Ligi reminded Parks and Recreation Director, Paul Roche, that he had a revenue side to his budget and the Police Department does not.

Mr. Walsh asked where the Fire Department came up with \$10k.

Mr. Marconi responded that it's going to be a fight through the year.

Mr. Walsh asked about the VNA abatement.

Mr. Marconi responded that it is on the agenda for the June 18, 2008 BOS meeting; that the VNA has increased its square footage and that it is a \$99k revenue line for next year.

Mr. Ulmer said: "Just for the record, the golf course did raise non-resident fees last year and resident fees this year and raised its revenue estimate from \$1.2MM to \$1.3MM, and we accepted that increase."

Mr. Gomez stated he did not know which of the five selectman endorsed head count reduction.

Mr. Marconi said he was against head count reduction, because it affects the Town's ability to provide a level of service. He said if the voters turn the proposed budget down again, then it's a clear message to cut head count.

Mr. Bodner added that he didn't think the Town could provide the level of service people expect by changing the head count. He posed the question of what amenities/services Ridgefield should provide being the kind of community it is. "I am satisfied that we have taken out everything we can take. We can decide we want less of a library, but that's a broader community decision."

Ms. Manners said that she agreed with Messrs. Marconi and Bodner, that the Town didn't have "spare people". She expressed her opinion that everybody (Town employees) is working hard. She said Rudy is one of the most "penurious" people she knows. There is no budget for postage in the BOS's budget. "That's how lean this budget is and has been every year."

Mr. Gomez added his perspective that the recent budget vote was a wake up call. He stated that the last time there were any head count reductions was with the schools seven (7) years ago. "For eighteen (18) years we have had growing operating budgets and no head count reductions on the Town side of the ledger. After Boehringer Ingelheim, the largest employer is the government. A \$297k reduction out of a \$31MM budget is a 0.00958% reduction. He said: "We can do better." He noted that the unions are represented by their attorneys and the arbitrators rule in their favor year after year. He asked rhetorically:

if the BOS sides with the employees, who is left to represent the voters? He expressed his disappointment that head count reduction was not part of the BOS's revised budget request.

Talking about the increased head count at the Fire Department, Mr. Marconi said that the BOS made a quick decision in order to qualify for a \$421k grant. He stated: "We haven't hired anyone, we have kept this budget lean, we have cut back every area. If you want to make those cuts and see a people reduction then you are the one who is going to make the call."

Di Master said she does not support head count reductions. She said she favors making cuts without impacting people (Town employees). "We are going to have a difficult time running our Town with the budget we are presenting."

Mr. Ulmer noticed that the Intergovernmental Revenue line item had increased from the last proposed budget that was presented.

Mr. Wahlberg responded that he received those numbers from Hartford and he was not able to explain at this time.

Following up on the Fire Department grant Mr. Ulmer asked what the grant would pay toward the cost of the four additional positions.

Mr. Marconi said: 90%, 80%, 50%, 20% and 0% in the fifth year the Town has to pick up the full load.

Mr. Bodner added: "A large offset of overtime."

Mr. Marconi added: "A 70%/80% savings in overtime."

Mr. Hesier expressed his concern that the budget be passed this time, because: "the next time through we are looking at a zero increase".

BOARD OF FINANCE DELIBERATIONS

The BOF reviewed Mr. Wahlberg's budget forecast which anticipates a surplus of \$895k at June 30, 2008.

Mr. Heiser stated that he favored making further cuts.

Mr. Ulmer said: "I tend to agree with you. Our job is to get a yes vote on June 3rd. We have to get to a number that will pass." He noted that this year's voter turnout was 25% greater than last year's turnout and the message was that this should not be business as usual. He observed that the BOS and the BOE seemed to have different philosophies in the way they approached their respective reductions with the BOE willing to reduce head count. He reminded the BOF that it had yet to talk about capital items and that all capital projects, except the roads, were voted down.

The BOF discussed how much it was willing to take from the General Fund to soften the mill rate increase. Mr. Ulmer said he was willing to go with \$1.2MM because "on my spread sheet that brings us back to 6% (General Fund as a percentage of budget).

Mr. Cascella said he was willing to use the anticipated 2008 surplus to offset the budget increases but he felt the Town might "really, really need" those funds (the General Fund).

Mr. Gomez said he agreed with Mr. Cascella. "I would rather see expenses actually being cut."

Mr. Ulmer suggested taking the Capital Projects Financing line, which is now at \$204k, down to zero.

Mr. Marconi protested: "What you have cut is all of our computer stuff."

Di Masters added: "And all of their police cars."

Mr. Heiser reminded everyone that the BOF does not do line item cuts.

Mr. Ulmer noted that the voters zeroed out a lot of items.

The BOF discussed reducing the capital projects financing to zero, reducing the BOE's budget by \$700k and reducing the BOS's budget by \$400k.

Mr. Cascella said he was in accord with the direction (reductions) but noted that the BOS's operating budget was significantly smaller than the BOE's budget, and he asked for the support behind the larger cut to the BOS's budget.

Mr. Ulmer responded: "I think the two boards took different attitudes. The message was reduce head count."

Mr. Marconi protested: "We never heard reduce head count."

Mr. Ulmer: "If you want to significantly reduce spending over a long period of time, you have to reduce head count."

Mr. Marconi: "The Board of Education has added people. We have not. Ask Peter Hill, we are working with fewer people than we had in 1987. The only thing that has increased is the police department by a couple and the fire department because of community demand for ambulance services. Do you know how many ambulance calls we have? You're the board that will be responsible. "Don't tell us: Oh we're just going to come up with a number and you make the cuts. You need to understand the impact of what you are doing tonight."

Mr. Ulmer, reading from the Town's Annual Report, Comprehensive Annual Report for Year Ended June 30, 2007. According to these numbers, and it doesn't have the 2008 numbers in it, it has the 2007 numbers in it. Management services went from 26.5 in 2006 to 30.5 in 2007.

Mr. Marconi said he didn't know where.

Mr. Ulmer said he didn't know where either but the numbers are either right or wrong.

Mr. Marconi: "I didn't give you the numbers."

Mr. Ulmer: "Somebody put the numbers in this book." The last increase in Finance went from 6.7 to 7.00 in 2004. The last increase in Accounting went from 4.0 to 4.5 in 2006. In 2003 Social Services went up from 2.3 to 2.4. Police and Fire have both increased. Canine, up from 1.5 to 1.8.

Mr. Gomez suggested that the police cruisers and the computers scheduled to be replaced be used for another year. He opined that another \$200k could be found in a \$31MM budget.

Mr. Cascella asked where the \$700k amount came from on the BOE side. "Is it an arbitrary number, or do you have something in mind?"

Mr. Gomez responded that it was an arbitrary number but that it hadn't come out of a fortune cookie.

Mr. Wahlberg clarified the discussion by stating what he understood the BOF to intend. The BOS offered \$172k and you (BOF) want \$400k in total so an additional \$228k. The BOE would be an additional \$139k. You want to reduce Capital Financing by \$304k.

A motion was made by Mr. Ulmer and seconded by Mr. Gomez to put the following two budget questions to the voters: 1) the Board of Selectman's operating budget in the amount of \$30,313,491.00, plus debt service in the amount of \$14,168,609.00. 2) the Board of Education's operating budget in the amount of \$76,012,318. The question of the budget for Capital Projects Financing would not appear on the ballot. To use \$1,200,000.00 from Fund Balance for a net result of a 2.0% increase in the mill rate which would be 19.92. Voting for the motion: Mr. Heiser, Mr. Walsh, Mr. Ulmer and Mr. Gomez. Voting against the motion: Mr. Cascella.

Vote: 4-1. Motion **APPROVED**.

Mr. Cascella said he had deep reservations about using the money from Fund Balance. The voters said change the way you do business and stop spending money. He said: "We have artificially created a 2% increase. It's artificial and I cannot support it." He expressed his opinion that more dollars should be taken from the BOE's budget and fewer from the BOS's budget.

Mr. Ulmer opined that it (General Fund) is accumulated tax dollars which the BOF is now returning to the taxpayers.

Mr. Cascella made a motion to reduce the BOE's budget by \$900k. The motion did not receive a second.

Mr. Walsh expressed his support for using the \$1.2MM from the General Fund.

Mr. Bodner expressed his displeasure with the cuts to the BOS's proposed budget calling them "severe and problematic".

The BOF took a break at 10:40 P.M.

The BOF reconvened at 10:50.

Tree Warden, Mr. Pinchback came to the head table with the BOF to explain the need for the following transfer.

Mr. Gomez asked Mr. Pinchback if he could divert some of the "planting" money into "cutting" money. Mr. Pinchback said: "Yes, we could do that because it a long-term item."

Transfer #200812

WHEREAS, the Tree Warden is requesting additional funding for tree removal on Town right of ways and dead trees requiring attention.

WHEREAS, the current appropriation was expended on this year's storm damage and emergency situations that required immediate attention.

THEREFORE, the Tree Warden is requesting an appropriation from general contingency to cover the anticipated work.

INCREASE:

10370-52130	TREE CARE	\$12,500
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DECREASE:

10890-59101	GENERAL CONTINGENCY	\$12,500
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A motion was made by Mr. Heiser and seconded by Mr. Gomez to approve Transfer #200812 as presented. Vote: 5-0. Motion **APPROVED**.

Transfer #200814

WHEREAS, the Board of Selectmen wishes to contribute \$50,000 to the Ridgefield Boys & Girls Club for aid in construction costs.

WHEREAS, the Town of Ridgefield has negotiated an easement for the use of pool water in case of fire emergency.

THEREFORE, the Board of Selectmen is requesting a special appropriation from fund balance.

INCREASE:

10220-00000	Ridgefield Boys & Girls Club	\$50,000
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INCREASE:

10907-44800	Utilization of Fund Balance	\$50,000
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A motion was made by Mr. Heiser and seconded by Mr. Gomez to approve Transfer #200814 as presented. Voting in favor of the Motion: Mr. Heiser, Mr. Ulmer and Mr. Gomez. Abstaining from the vote: Mr. Walsh and Mr. Cascella. Vote: 3-0-2. Motion **APPROVED**.

Tax Collector, Jane Berendsen-Hill, presented her monthly Report.

Tax Collector's Report

Fiscal Year Ending June 30, 2008

								Prior YTD
(in millions)	Budget	Q1	Q2	Q3	April	Y-T-D	% Cltd	% of Actual
Current Taxes	\$ 102.1	\$ 32.1	\$ 26.1	21.6	\$ 19.8	\$ 99.6	97.57%	97.65%
Supplemental MV	\$ 0.8	-	\$ 0.1	\$ 0.7	\$ -	\$ 0.8	94.65%	98.90%
Prior Year Collections	\$ 0.5	\$ 0.2	\$ 0.1	\$ 0.1	\$ -	\$ 0.5	93.61%	91.97%
Interest & Lien Fees	\$ 0.3	\$ 0.1	\$ 0.1	\$ 0.1	\$ -	\$ 0.2	72.94%	82.58%
As of April 30, 2008	\$ 103.7	\$ 32.4	\$ 26.4	\$ 22.5	\$ 19.9	\$ 101.1	97.46%	97.57%

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to adjourn the meeting at 11:14 p.m.
Vote 5-0. Motion **APPROVED**.

Respectfully submitted,
Karen Rodgers, Recording Secretary