

**APPROVED/BOARD OF FINANCE MINUTES – REGULAR MEETING  
TUESDAY, MAY 24, 2011**

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A regular meeting of the Board of Finance was held on Tuesday, May 24, 2011 in the small conference room in Town Hall at 7:30 p.m.

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

Members Absent: Margaret Price Sims

Town Officials: Kevin Redmond, Controller; Paul Hendrickson; BOE Business Manager; Al Garzi, Assessor; Jane Berendson-Hill, Tax Collector

A G E N D A

- 1) Approval of Prior Meeting Minutes
- 2) Tax Collector's Report
  - a) April 2011 Report
  - b) Transfer Uncollectable to Suspense
- 3) Interest Rate for Senior Tax Deferment Program
- 4) Treasurer's Report
- 5) BOE Financial Review
- 6) Controller's report
  - a) April 2011 Financial Review
  - b) Fiscal 2011 10+2 Forecast / Surplus Projection
  - c) Fiscal 2012 Cash Flow Forecast
- 7) General
  - a) Old Business
  - b) New Business
  - c) Communications & Correspondence
8. Adjournment

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Mr. Gomez called the meeting to order at 7:30 p.m.

Mr. Gomez suggested two items be added to the agenda and one change in the order of the agenda as follows: add a brief discussion regarding the annual engagement scope letter with Blum Shapiro and their fee request for the next audit; and a brief discussion regarding the method of recording our meetings and minutes; move the Interest rate to be charged for senior tax deferment program item up on the agenda to precede the Tax Collector's report.

Mr. Ulmer suggested the second addition be addressed under "New Business".

A motion was made by Ms. Bornstein and seconded by Mr. Heiser to add a brief discussion regarding the annual engagement scope letter with Blum Shapiro and their fee request for the next audit to the agenda;

and to move the Interest rate to be charged for senior tax deferral program item up on the agenda to precede the Tax Collector's report.

VOTE: 4-0. Motion **APPROVED**.

### **APPROVAL OF PRIOR MEETING MINUTES**

Ms. Bornstein made and Mr. Heiser seconded a motion to approve the November 29, 2010 Board of Finance meeting minutes as presented.

VOTE: 4-0. Motion **APPROVED**.

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the March 15, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 3-0-1 (Ms. Bornstein abstained). Motion **APPROVED**.

Ms. Bornstein made and Mr. Ulmer seconded a motion to approve the March 21, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 3-0-1 (Mr. Heiser abstained). Motion **APPROVED**

Mr. Gomez made and Mr. Ulmer seconded a motion to approve the March 24, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 4-0. Motion **APPROVED**

Ms. Bornstein made and Mr. Heiser seconded a motion to approve the March 28, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 4-0. Motion **APPROVED**

Mr. Gomez made and Mr. Heiser seconded a motion to approve the March 29, 2011 Board of Finance meeting minutes as presented.

VOTE: 4-0. Motion **APPROVED**

Mr. Ulmer made and Mr. Heiser seconded a motion to approve the April 4, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 4-0. Motion **APPROVED**

Ms. Bornstein made and Mr. Heiser seconded a motion to approve the May 10, 2011 Board of Finance meeting minutes with changes as discussed.

VOTE: 4-0. Motion **APPROVED**

### **INTEREST RATE/SENIOR TAX DEFERRMENT PROGRAM**

Ridgefield's ordinance dictates that the tax-deferral rate be predicated on the Town's cost of borrowing, which is now  $\pm 4\%$ .

- Program is eleven years old.
- Currently there are eighty people on the tax-deferral program.
- People must re-file every two years.
- Average tax bill is \$8k.

- Total amount outstanding due to the tax-deferment program = \$1.6MM/\$1.8MM
- Means test to qualify = household income of \$55k or less.
- Applicants are required to apply for any available State programs
- Any applicable tax credits are deducted from total tax bill
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**TAX DEFERMENT RATES - 2011-2012**

4.95%	Brookfield	0.00%	Trumbull
2.78%	Easton	5.00%	Westport
3.80%	Fairfield	3.00%	Wilton
18.00%	Monroe		

**TOWNS WITH NO DEFERMENT PROGRAM**

New Canaan  
Newtown  
Shelton

Ms. Bornstein made and Mr. Gomez seconded a motion to maintain the tax-deferment rate at 4%.

Vote: 4-0. Motion **APPROVED**.

**TAX COLLECTOR'S REPORT**

Fiscal Year Ending 6/30/2011								Prior YTD	2008-09	2007-08
(\$ in millions)							%	as %	YTD as %	YTD as %
	BUDGET	Q1	Q2	Q3	April	Y-T-D	Cllctd	of Actual	of Actual	of Actual
<b>Current Taxes</b>	\$109.7	\$33.1	\$28.4	\$23.6	\$21.0	\$106.2	96.78%	97.02%	97.28%	97.28%
<b>Supplemental MV</b>	\$0.6	\$-	\$0.2	\$0.4	\$-	\$0.6	93.63%	97.64%	98.97%	98.98%
<b>Prior Year Cllctns</b>	\$0.6	\$0.2	\$0.3	\$0.2	\$-	\$0.7	121.12%	87.62%	75.40%	91.40%
<b>Int. &amp; Lien Fees</b>	\$0.4	\$0.1	\$0.1	\$0.1	\$-	\$0.3	88.71%	82.41%	67.06%	49.82%
<b>As of 4/30/11</b>	\$111.3	\$33.4	\$29.1	\$24.3	\$21.1	\$107.8	96.87%	98.76%	97.03%	97.19%

Ms. Berendsen-Hill reported some “slippage” in the tax-collection rate, but expressed confidence that she would be able to make her budgeted revenue amount.

Ms. Bornstein asked if we have an “issue”, and Ms. Berendsen-Hill responded “not a significant one”.

Ms. Berendsen-Hill said she liens about 200/300 properties each year for delinquent taxes. She noted that some taxpayers are making partial payments.

Transfer Uncollectable to Suspense:

- Connecticut General Statutes Section 12-165 requires annual additional to suspense tax book of those bills considered uncollectible.
- Transfers to the suspense list are made on a purely aging basis – taxes outstanding more than three years.
- Mostly businesses on the list are no longer extant.
- Takes the tax amount due off the tax rolls – does not mean it will not be collected
- Taxes under \$2.00 are written off
- 143 personal property tax bills = \$40,399.18

- 247 motor vehicle tax bills = \$34,591.74
- Decrease of \$93,354.05 from last year's suspense transfer

Ms. Bornstein made and Mr. Gomez seconded a motion to transfer to "Suspense" the list presented by the Tax Collector totaling \$93,354.05.

Vote: 4-0. Motion **APPROVED**.

**TREASURER'S REPORT**

Investments as of		
4/30/11		
	<b><u>Amnt Invested</u></b>	
HSBC	\$5,000,000.00	0.40
MBIA	\$5.13	0.15
Ridgefield Bank	\$3,882,173.28	0.23
STIF	\$1,538,027.55	0.24
Union Savings	\$ 2,001,479.68	0.60
Union Savings	\$13,118,801.13	0.55
Wachovia	<u>\$2,426,556.98</u>	0.25
	\$27,967,043.75	
YTD Interest Earned as of 4/30/2011		
Merrill Lynch-BOA	\$1,440.65	
Ridgefield Bank	\$11,359.40	
STIF	\$820.99	
Union Savings	\$34,450.83	
Wachovia	<u>\$1,620.33</u>	
	\$ 49,692.20	

**BOE FINANCIAL REVIEW**

**Budget Projections**

Teachers' salary account = 0.08% over run

Benefits = on budget

Fuel Oil & Electricity = 2.9% (\$67,114) under run

Building Projects; \$60,960 over run (Barlow Mt. boiler)

"Other" = currently at \$633,209, caveat of shrinkage due to accruals for non-certified personnel salaries

Special Education = \$548,356 over run with possibility for improvement depending on amount of ECR

General Services = currently \$35,990 over run – with expectation of coming down

Transportation = break even

Facilities = ± \$85,598 under run

TOTAL PROJECTION = \$23,449 under run at year end

Mr. Hendrickson informed the BOF that, by the new contract, the custodians are going on the HSA. That fact, coupled with a salary increase equals a \$107k savings in the five year contract. The salary increases

in the five year contract are: 1.8% in the first year; 2% in years 2-4; and 2.2% in year five. The custodians voted 21/17 in favor of the contract. There are ± 45 custodians on the HSA.

Mr. Heiser asked if any programs had to be cut by the BOE as a result of the budget reduction made by the BOF. Mr. Hendrickson said he was not the right person to address that question to. Mr. Ulmer said, if you take out benefits, you have net decreases in the rest of the BOE budget. Mr. Heiser said he didn't see the dire result predicted by some school-budget supporters as a result of the BOE budget reductions.

Mr. Hendrickson reminded everyone that special education is always the "third rail" of education in Connecticut. Somebody can walk in the door anytime and you do not even know they are coming.

Regarding the energy program approved by the voters, Mr. Hendrickson said the weatherization will be done by staff over the summer. The second component of the program is light replacement. Together (weatherization & light replacement) they should result in savings of \$206k.

### **TOWN FINANCIAL REVIEW**

Year-End Budget Projection:

Revenue = \$350k under budget

Expenses = \$439k under budget

Net = \$89k surplus

This year's manufacturer's exemption shortfall (amount not paid to the Town by the State) is lost revenue. Next fiscal year the Town will be able to bill for the full amount.

There will be year-end transfers.

FEMA funds should reduce total snow-removal expenses.

Funds (about \$10K) will be pulled from Contingency" to cover the special election.

Mr. Redmond expressed his hope for a \$100k surplus, thereby reducing the amount needed from fund balance to \$350k. He lamented over the shortfall in the manufacturer's exemption received from the State saying "(it) really killed us".

Cash flow was examined and found to be pretty close to April's actual.

Mr. Gomez asked Mr. Redmond how comfortable he is with the expense projections, and Mr. Redmond responded that his is comfortable with them.

Mr. Ulmer asked: "What are we up to in terms of authorized bonding?"

Mr. Redmond said authorization was in place for the next \$5MM in new capital bonding.

There was some discussion about waiting to bond and using a bond anticipation note instead, and Mr. Ulmer noted that it is always better to bond than ban.

Ms. Bornstein asked about the time line for the library and Mr. Ulmer said September at the earliest. Mr. Gomez said the Town's contract with the library has to be redone, noting that it is silent on many things and outdated on others.

### **OLD BUSINESS**

Ms. Bornstein asked if the cell tower is not built and the Town/Conservation Commission still wants to buy the property would the proposal have to come back to the BOF. Mr. Gomez stated that the BOF's approval was for something very specific.

### **NEW BUSINESS**

Regarding the engagement letter from Blum Shapiro, Mr. Gomez noted that Blum Shapiro is asking for \$72,750, a 3% increase. Ridgefield is already on the high end of auditor's fees. Ms. Bornstein opined that a 1.76% increase would be palatable. Mr. Gomez stated that he would start at 1% because Blum Shapiro already had a "bump" this year.

Mr. Gomez said there have been letters to the editor questioning the BOF's current system of audio tapes and transcription of minutes, and questioning why the BOF does not want its sessions video taped. He said he has spoken with the Town Clerk regarding the relevant State Statutes, and noted that the BOF's current modus operandi conforms.

Ms. Bornstein asked about the cost and the forum (Comcast?); what the BOE spends every year. She stated that the BOF could ask the BOS to fund the video taping, once it nailed down the costs involved in doing so. Mr. Gomez: "Let's agree to discuss it going forward."

The BOF agreed to start its June 21, 2011 meeting at 6 p.m. instead of the usual 7:30 p.m.

### **ADJOURNMENT**

A motion was made by Ms. Bornstein and seconded by Mr. Gomez to adjourn the meeting at 9:50 p.m.

Vote 4-0. **Motion APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary