

**APPROVED/BOARD OF FINANCE MINUTES – REGULAR MEETING  
TUESDAY, JULY 19, 2011**

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A regular meeting of the Board of Finance was held on Tuesday, July 19, 2011 in the large conference room in Town Hall at 6:00 p.m.

Members Present: Peter Gomez, Chairman (arrived at 6:55 p.m.) ; Jill Bornstein, Vice Chairman (left at 8:00 p.m.); Marty Heiser; David Ulmer; and Margaret Price Sims (left at 7 p.m.)

Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller; Paul Hendrickson, BOE Business Manager; Barbara Hartman, Mamasasco Lake Improvement Fund

**A G E N D A**

- 1) Executive Session – Schlumberger
- ~~2) Approval of Minutes – 6/21/2011~~
- 3) Discussion of MLIF (Mamasasco Lake Improvement Fund) Master Plan
- 4) Tax Collector’s Report
  - a) June 2011 Report
- 5) Treasurer’s Report
- 6) BOE YTD Financial Review – Paul Hendrickson
- 7) Controller’s Report
  - a) June 2011 Preliminary Financial Review
- 8) General
  - a) Old Business
  - b) New Business
  - c) Communications & Correspondence
8. Adjournment

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Ms. Bornstein called the meeting to order at 6:00 p.m.

**MAMANASCO LAKE IMPROVEMENT FUND MASTER PLAN**

Ms. Hartman presented the BOF with the following handout:

MAMANASCO LAKE IMPROVEMENT FUND  
PROPOSED CAPITAL PROJECTS

Storm Water Drainage Projects*	
7 projects to be done in 2011 (based on 2010 plans)	\$ 50,000.00
3 projects from 2005 list (based on 1997 plans)	\$ 14,500.00
Third lane stream restoration (final plans to be drawn)	<u>\$ 65,000.00</u>
SUB-TOTAL	\$ 129,500.00

Replace Spillway*	\$ 100,000.00
Wish List With Unlimited Resources*	
Sewer line on Mamasasco Road	\$ 1,000,000.00
Dredge entire lake (96 acres)	\$3-5,000,000.
Current Balance in Town Account	\$ 95,595.00

\*All figures are estimates based on similar projects and/or CT DOT cost estimates.

The proposed projects are aimed at slowing down/impeding the water flow which carries silt/sediment into the lake.

Ms. Sims asked who owns the lake, and Ms. Hartman responded that nobody knows. The land around the lake is owned by individuals, the Town, and the State. Ms. Hartman explained that the MLIF requests suggested contributions from homeowners in the lake's watershed, which add up to \$20k annually. There is also a beach association, which is open to anybody, which does contribute to the MLIF. Out of the 525 families living in the lake's watershed, about 100 contribute to the MLIF.

Ms. Bornstein said the BOF wants to find out what the MLIF's long-term plan is. Ms. Sims added that the \$35k annual allotment does not seem to address the big issue, and wondered whether it would be better to address the entire issue up front rather than apply yearly band aids.

Ms. Hartman indicated that one more year of \$35k should do it. She said there was a problem with the Town Engineer who had the plans since last fall, and the project's bids just went out last week. Ms. Hartman said there was nothing the MLIF could do until the Town Engineer acted. Mr. Marconi said he didn't think it was entirely fair to throw the Town Engineer under the bus like that. Ms. Hartman said that the MLIF wants the \$129k from the Town of which it already has \$95k.

Mr. Heiser asked how all the weeds in the lake could be removed, and Ms. Hartman said they currently use approved chemicals and they could put carp in the lake which would eat all the good weeds and the bad weeds, but they grow to 3' long and scare small children.

Ms. Bornstein asked if it would be better to wait for all the money to be in place before initiating any new work, and Ms. Hartman said that the Town has been wonderful awarding the MLIF money each year. She noted, however, that the Town had \$22k that had not been spent in prior years, and the \$22k was just wiped out when the capital account was closed out.

Mr. Ulmer observed that the first three items on the hand out, totaling \$129,500.00 seem to be the issue at present and asked, once they are finished, how long before the MLIF comes back for more money. Ms. Hartman responded that it depended on mother nature, but, hopefully, years and years. She stated that Peter Hill, Highway Department Director, has been wonderful about yearly maintenance.

### **TAX COLLECTOR'S REPORT**

Mr. Heiser asked about the two bounced checks received by the tax collector last month. Ms. Berendsen-Hill stated that one check bounced twice (due to a bank error) and was made good. The other check was never made good as the money was never there.

Ms. Berendsen- Hill reported that, as of July 1, 2011, tax collections were \$134k, or 4/10<sup>ths</sup> of a percent, under budget for current taxes.

Tax Collector's Report

Fiscal Year Ending June 30, 2011

(in millions)	Budget	Q1	Q2	Q3	April	May	June	Q4	YTD	% Clctd	as
Current Taxes	\$ 109.7	\$ 33.1	\$ 28.4	\$ 23.6	\$21.0	2.8	\$ 0.3	\$ 24.1	109.30%	99.59%	1
Supplemental MV	0.6	0.0	0.2	0.4	0.0	0.0	0.0	0.0	0.60%	95.82%	1
Prior Year Collections	0.6	0.2	0.3	0.2	0.0	0.1	0.1	0.2	0.90%	153.51%	1
Interest & Lien Fees	0.4	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.40%	124.48%	1
As of June 30, 2011	\$ 111.3	\$ 33.4	\$ 29.1	\$ 24.3	\$21.1	0.5	\$ 0.5	\$ 24.5	111.20%	99.92%	1

Ms. Berendsen-Hill explained that she was feeling a little bit better (than she felt last month) about the rate of tax collections, saying that some of the money not collected last month was collected this month, and, to date, she has collected \$155k of the prior year's taxes. She also thought that real estate sales were looking up, citing the sale of thirty properties totaling \$26MM in July, for an average of \$867k per sale. One property sold for over \$2MM, eleven properties sold for over \$1MM. Ms. Berendsen-Hill added that some of the foreclosed properties were beginning to sell.

**TREASURER'S REPORT**

HSBC	\$ 201,084.00	0.35
MBIA	\$ 5.13	0.15
Rdfld Bank (MuniMMA	\$ 256,181.30	0.23
Rdfld Bank CD due 7/29	\$ 1,501,165.30	0.23
STIF (pooled short term)	\$ 362,259.66	0.23
Union Svg (6 mo CD)	\$ 2,004,475.16	0.6
Union Svg (MunMMA Sweep)	\$ 5,024,723.53	0.55
Wachovia (MunMMA)	\$ 4,124,290.98	0.25
	\$ 13,474,185.06	
YTD Interest Earned as of 6/30/2011		
HSBC	\$ 1,084.00	
MrlLynch-BOA	\$ 1,440.65	
Ridgefield Bank	\$ 14,034.93	
STIF	\$ 1,391.35	
Union Savings	\$ 42,421.28	
Wachovia	\$ 1,629.85	
	\$ 62,002.06	

**BOE YTD FINANCIAL REVIEW**

Mr. Hendrickson explained that the predicted BOE budget under run of ± \$50,380 is comprised of a lot of little pieces.

Mr. Gomez took issue with the fact that the BOE's MIRMA obligation was paid out of 2010/2011 funds. Mr. Redmond quickly added that the Town paid its MIRMA obligation out of 2011/2012 funds, where it was budgeted.

Mr. Gomez asked Mr. Hendrickson to clarify paragraph #5 in the June 24, 2011 Memorandum he presented to the BOF wherein he projects a \$344,354.00 under run at year end in the "Other" category. Mr. Gomez wanted it clear that the non-certified salaries includes secretaries, para-professionals and custodians.

Mr. Gomez asked how the \$120k in virus related purchases was funded, and Mr. Hendrickson said it was funded by under runs in other areas, e.g. soft-ware programs. He noted that the \$120k amounts to .015% of the entire budget. Mr. Gomez asked if the virus had not happened would the projected over run be \$120k more, and Mr. Hendrickson responded "perhaps". Mr. Gomez said he was uncomfortable with the situation and Mr. Hendrickson noted that \$50k represents one hour of school time per year, indicating it was a little much if Mr. Gomez wanted him to calculate with that degree of certainty on a \$79MM budget. Mr. Gomez said he wanted was to insure that the maximum surplus is incurred and not held for place holders. Mr. Hendrickson said it isn't being held, that the budget was approved for the schools' use. Mr. Gomez agreed, noting that the BOE could use transfers to cover such situations, but added that it does not mean that every penny (of the approved budget) has to be spent.

Mr. Gomez: It's not a blank check to say that you can spend up to the full amount, would you agree?

Mr. Hendrickson: "No."

Mr. Gomez: I think we have a substantial abyss between our understanding of budgets and the obligations that we have to the Town taxpayers. You have got to understand my perspective.

Mr. Hendrickson: "I have sat in your seat in a different town."

Mr. Gomez stated that he was not trying to minimize the difficulty of Mr. Hendrickson's job, but he wants to see the maximum amount returned to the taxpayers at the end of the fiscal year. He reiterated that he was also concerned about the MIRMA payment because it does not follow the letter of the law. Mr. Hendrickson noted that the BOE approved the payment, and Mr. Gomez stated that fact did not make it correct. I am advocating for the taxpayers at year end, based on wholesome municipal budgeting practices and accounting principles.

Mr. Hendrickson: "There was nothing done illegal if that is what you are implying."

Mr. Heiser: There's sort of a counter current here that I would like to nip in the bud if I can. I don't know exactly how to say it, but there's this concept of use it or lose it. The idea is whatever surpluses there are get returned to the taxpayer, and that's a good thing. I want everything to run as efficiently as possible. If the number (amount of surplus at the end of the fiscal year) is big, I am not going to be unhappy, if we show too much of a surplus.

Mr. Ulmer reminded everyone that the BOE went into a budget freeze in February, a complete freeze. He noted that the BOE was funding over-runs in special education by not spending in other places.

At the conclusion of Mr. Hendrickson's report, Mr. Gomez noted the differences in their respective responsibilities, and told Mr. Hendrickson that he thinks the world of him and has praised his work both publically and privately, stating that the quality of his reporting was far superior to anything that came before.

### **CONTROLLER'S REPORT**

Mr. Redmond predicted that about \$150k of fund balance would be used if the BOE returned no money at the end of the fiscal year.

Mr. Ulmer noted that conveyance tax collections were very strong in June.

Mr. Redmond informed the BOF that Blum Shapiro kept its fee flat.

### **NEW BUSINESS**

Mr. Palumbo, BOE, said he asked the CEO of Northeast Utilities what it would cost to get a gas line into Ridgefield. Northeast Utilities has been working on a proposal for approximately the last three months and the rough numbers indicate it would take a little more than \$3MM to get a gas line to the high school; approximately \$1MM to put in a co-generation facility to deliver electricity to both Scotts Ridge and the High School and about a half million to retro-fit both plants, so it's an investment of \$5MM which would generate a before-interest-savings of about \$800k per year. A simple payback of about six/seven years.

He said that Ms. Price Sims has stopped attending the meetings, and asked the BOF to provide one of its members to join his committee, noting the magnitude of the project and calling it a "no brainer". If the Town decides to dig the trench, the cost goes way down. Currently, it costs \$1.2MM each to year to heat and light the high school. Heating is about 80% of the \$1.2MM.

Mr. Ulmer stated that any project over \$3MM goes first to the BOS, then the BOF and finally to referendum.

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to adjourn the meeting at 8:09 p.m.

Vote 3-0. **Motion APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary