

**APPROVED/BOARD OF FINANCE MINUTES – REGULAR MEETING  
TUESDAY, SEPTEMBER 20, 2011**

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A regular meeting of the Board of Finance was held on Tuesday, September 20, 2011 in the large conference room in Town Hall at 7:30 p.m.

Members Present: Peter Gomez, Chairman (arrived at 8:04 p.m.) ; Jill Bornstein, Vice Chairman; Marty Heiser; David Ulmer (by telephone); and Margaret Price Sims

Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller; Paul Hendrickson, BOE Business Manager; Jane Berendsen-Hill, Tax Collector

**A G E N D A**

- 1) Approval of Minutes – 7/19/2011
- 2) Discussion Resolution Regarding \$4MM Appropriation for Purchase of Schlumberger Property
- 3) EDC Update on Initiatives – Bob Knight, Chairman; Joy Strand, Secretary
- 4) Tax Collector's Report
  - a) June 2011 Report
- 5) Treasurer's Report
- 6) BOE YTD Financial Review – Paul Hendrickson
  - a) Fiscal Year 2011
  - b) Fiscal Year to Date 2012
- 7) Controller's Report
  - a) Fiscal Year 2011
  - b) Fiscal Year to Date 2012
- 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 7:33.

**APPROVAL OF MINUTES – 7/19/2011**

Mr. Heiser made and Ms. Sims seconded a motion to approve the Board of Finance Minutes for the July 19, 2011 meeting.

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

**BOE YTD FINANCIAL REVIEW – PAUL HENDRICKSON**

Mr. Hendrickson reported that \$161,596.00, or 0.21% of the BOE's \$77,807.680.00 budget, would be returned to the Town. He noted that there were \$822,462.00 in total encumbrances as of June 30, 2011 and, historically, 25% of encumbrances end up going back to the Town, as they cannot be carried forward more than one year.

Mr. Heiser asked about projected enrollment figures, and Mr. Hendrickson responded that they would be finalized October 1, 2011. The best guestimate is for the elementary school enrollment to decline  $\pm$  30 students and the high school enrollment to increase  $\pm$  30 students. Mr. Heiser noted that the “magic number” of elementary students that would make closing an elementary school feasible is 2,000, and there are currently 2,200 students. Mr. Palumbo, BOE member, who was present in the audience, said that the BOE has asked Supt. Of Schools, Deborah Low, to do some strategic planning regarding the closing of an elementary school, and she will come back the first week in December with a time line of actions needed to be taken to close a school when the 2,000 number is reached.

Ms. Bornstein asked Mr. Hendrickson about the closing out of the remaining school projects and he responded that Mr. Marconi has contacted O & G to get the necessary change orders that have yet to be approved by the State.

Ms. Bornstein asked Mr. Redmond if he has had the opportunity to look into all the accounts, and he responded “Yes for school projects, now I am looking at the other Town projects.” Mr. Heiser asked how many accounts, and Mr. Redmond responded perhaps one hundred in eight different capital funds. Mr. Ulmer asked how many were school accounts, and Mr. Redmond responded “about 25% of them”. Mr. Redmond said he has asked Robinson & Cole (Frank D’Ercole) what the procedures are to clear those accounts. He was told there are options, but the proper treatment is to put the money in the General Fund and reduce debt service, but you could do other things also. Ms. Bornstein said that the BOF felt more comfortable putting the money back in the General Fund. Mr. Heiser asked for a time frame and Mr. Redmond said he has made a strong start but was now in audit mode, but he has to finish before budget season.

Mr. Hendrickson announced that the Veteran’s Park asbestos remediation was completed, and Farmingville has been started. The re-lamping and relighting phase of the energy project has started at the high school. Mr. Hendrickson anticipates the high school will be finished by the end of October, and will move from there to the other schools. Ms. Bornstein said it would be good to know when this phase of the energy project will be finished because there are assumed savings in this year’s budget.

Mr. Heiser asked if the number of teachers and administrators has increased annually, and Mr. Hendrickson responded that, to the best of his knowledge, it has come down.

Ms. Bornstein made and Ms. Sims seconded a motion to move the Tax Collector’s Report from 8:30 p.m. to 8:00 p.m.

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

**TAX COLLECTOR’S REPORT**

Tax Collector's Report						Prior YTD
Fiscal Year Ending June 30, 2012						
(in millions)	Budget	July	August	Y-T-D	% Cltd	% of Actl
Current Taxes	\$ 111.4	\$ 28.7	\$ 3.5	\$ 32.2	28.93%	28.53%
Supplemental MV	\$ 0.6	\$ -	\$ -	\$ -	0.00%	0.00%
Prior Year Collections	\$ 0.6	\$ 0.2	\$ 0.1	\$ 0.3	45.66%	23.16%
Interest & Lien Fees	\$ 0.4	\$ -	\$ -	\$ 0.1	19.20%	18.01%
As of 8/31/2011	\$ 113.0	\$ 28.9	\$ 3.7	\$ 32.6	28.84%	28.40%

In Millions

Ms. Berendsen-Hill reported that tax collections are back in “more normal territory” in terms of collection percentages, with collection of current taxes is running as high as it has in the last five years. She has already taken in over 50% of her budget for prior year taxes, which she attributes, at least partially, to the fact that many taxpayers are refinancing.

Ms. Bornstein asked what is anticipated from Boehringer Ingelheim that was not included in projected revenues. Mr. Redmond said he thought one of BI’s building projects is imminent. None of the anticipated revenue has been included in the 2011/2012 budget.

When asked about conveyance tax revenues, which is really the purview of the Town Clerk not the tax collector, Ms. Berendsen-Hill offered the information that July and August real estates sales were very, very strong, resulting in \$75k in conveyance tax collections. She added that September is not very good which leaves us still “bumping along”, through yesterday (9/19/2011) there were \$27k in conveyance taxes collected for the month of September. In response to an inquiry from Mr. Heiser, Ms. Berendsen-Hill said that foreclosures are staying at about one per month. This statistic will be easier to track now that the State has mandated that all mortgage foreclosures be preceded by filing a form on the land records of the town where the property to be foreclosed is located (and paying a \$53.00 recording fee to the Town).

## **DISCUSSION - RESOLUTION REGARDING \$4MM APPROPRIATION FOR PURCHASE OF SCHLUMBERGER PROPERTY**

### SCHLUMBERGER BALLOT QUESTIONS

At its meeting on September 7, 21011, the Board of Selectmen approved a question for the ballot on November 8, 2011 asking the voters of Ridgefield to vote on the purchase of approximately 30+/- acres known as the Schlumberger Site on Old Quarry Road.

The Board of Selectmen hereby requests that the Board of Finance vote on a recommendation of this purchase and respond in writing to the Board of Selectmen. This is pursuant to the Town of Ridgefield Charter Section 10-2a (“...Within fifteen (15) days thereafter, any endorsed request shall be forwarded by the Board of Selectmen to the Board of Finance for action... The Board of Finance shall consider and act upon such requests not more than fifteen (15) days after it is in receipt thereof, and shall inform the requesting agency and the Board of Selectmen in writing of its decision and the reason therefore.”)

Mr. Marconi explained:

- 1) that the BOS has approved (4-1 with Mr. Bodner voting against because he thinks the Town should buy the entire 45 acres) the proposed agreement with Schlumberger
- 2) that the agreement with Schlumberger is not yet finalized
- 3) the property has to be surveyed
- 4) there is a total of  $\pm 45$  acres – Town proposes to buy  $\pm 30$  acres, with Stephen Zemo to buy the remaining  $\pm 15$  acres. 40 acres are on the “main campus” on Old Quarry Road.
- 5) there is a soil (not water table) contamination issue on part of the property that Schlumberger has agreed to remediate
- 6) Town would probably raze the existing buildings with the exception of the auditorium and one other building (Philip Johnson) that has architectural significance
- 7) the proposed agreement is such that Mr. Zemo would pay \$3.1MM for 15 acres and the Town would pay \$2.9MM for 30 acres.
- 8) The Town wants to “take control of the destiny of this property”

The BOF questioned:

- 1) what would the annual operating costs be

Ms. Bornstein asked what the annual operating costs would be, and Mr. Marconi responded that, if the Town keeps the buildings, the annual operating costs would be about \$10.00 per square foot, forgetting about security, landscaping, heating and air conditioning.

Mr. Heiser expressed concern that the price to Mr. Zemo (\$206.66k per acre) was well below market and said he knew of other builders who were interested in buying that property at that price. Mr. Marconi expressed skepticism. Mr. Gomez noted that when the BOS designed the parameters of local developers, it eliminated other potential candidates to focus in on a small group. He added: "That is different from saying there was no interest from another group."

The BOF expressed its concern about substantially increasing the cost of the Town's debt service after telling taxpayers at the annual public hearing in March that the cost of debt service would decline annually going forward. Mr. Marconi said: "Well, that's why there is a referendum."

Mr. Gomez asked Mr. Marconi: "What's your assumption about our bond rating?"

Mr. Marconi: "We don't know yet."

Mr. Redmond opined that the interest impact of going from AAA to AA is "very, very small according to our financial advisor".

Mr. Gomez said the BOF has to look at the purchase costs, the costs of razing some of the buildings, carrying costs; lost tax revenue, etc. Mr. Marconi responded to that by saying "We have never done that before, but if the BOF wants to get into that, it can."

Mr. Gomez said he was also concerned about the potential impact on the school infrastructure.

Ms. Price-Sims said she needs to see a signed memo of understanding (MOU). Mr. Marconi said: "When we have it, you can see it."

Ms. Bornstein asked that the BOS prioritize its capital projects.

Mr. Marconi said he would like to have three public hearings on the purchase of the property so taxpayers have a clear understanding of the proposed purchase and what it will cost.

The discussion of this real estate purchase initiated a discussion of the Town's purchase of the IBM property, a/k/a Bennett's Farm property and the resulting litigation that is still going on today.

Mr. Ulmer noted that the taxpayers turned down the proposed police station three to one.

### **EDC UPDATE ON INITIATIVES** – Bob Knight, Chairman; Joy Strand, Secretary

Mr. Knight said the EDC (Economic Development Commission) has an annual budget from the Town of \$5k with seven members (up from five at its inception in 2008).

The Commission has focused its attention on the Rt. 7 corridor through Ridgefield and is working in conjunction with neighboring towns, as well as SWARPA & HVCO to develop a comprehensive plan of development. It presented the BOF with a slide presentation illustrating what the development of an area parallel and adjacent to Rt 7 would look like.

Mr. Ulmer noted that the plan of development should be included in the five-year capital plan.

**TREASURER'S REPORT**

Investments as of  
8/31/2011

HSBC	\$ 2,701,995.51	0.35
MBIA	\$ 5.13	0.14
Rdfld Bank (MuniMMA)	\$ 1,005,073.14	0.23
Rdfld Bank CD	\$ 1,502,152.52	0.40
STIF (pooled short term)	\$ 244,911.85	0.17
Union Svg	\$ 10,017,971.24	0.25
Union Svg - CD	\$ 846,617.75	0.35
Wachovia (MunMMA)	\$ 2,911,994.04	0.25
	\$ 19,230,721.18	
YTD Interest Earned as of 8/31/2011		
HSBC	\$ 911.51	
Ridgefield Bank	\$ 2,315.88	
STIF	\$ 97.62	
Union Savings	\$ 3,920.30	
	\$ 7,245.31	

**CONTROLLER'S REPORT**

Because Moody's Rating Service has placed Ridgefield, along with thirteen (13) other towns in Fairfield County, on a negative watch re its current triple A bond rating, the BOF gave some time and thought to the Town's debt and its fund balance to total budget ratio. Mr. Heiser offered \$1.00 bet that Ridgefield's bond rating would not be down graded.

**TRANSFER #201103**

Snow Related Overtime, Snow Contractor costs and Building Maintenance are unfavorable to budget. These additional costs are being offset by favorability in Police Salaries due to vacancies.

The following transfer has no net impact on Fund Balance but it is necessary so that these cost centers do not close the year over budget.

**INCREASE EXPENDITURES:**

10602-51007	Highway Maintenance – Overtime	\$30,000
10605-52204	Road Maintenance – Contractors	\$30,000
10691-52013	Maintenance – Buildings	\$35,000

**DECREASES EXPENDITURES:**

10401-51001	Police – Full Time Salaries	\$95,000
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Mr. Gomez made and Ms. Sims seconded a motion to approve Transfer #201103 as presented.  
VOTE: 5-0. **APPROVED.**

**TRANSFER #201104**

Police Special Services Revenue was budgeted at \$60,000 and Special Duty Expense was budgeted at \$100. Special Services Expense will be approximately \$300,000 for the year as a result of higher activity (and higher revenues).

The following transfer has no net impact on Fund Balance, but it is necessary so that the Police Patrol Expense line item does not close the year over budget.

INCREASE:

10903-44230	Police-Special Services Revenue	\$210,000
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INCREASE:

10401-51020	Police – Special Services Expense	\$210,000
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Mr. Gomez made and Ms. Bornstein seconded a motion to approve Transfer #201104 as presented.  
VOTE: 5-0. **APPROVED.**

**TRANSFER #201105**

Registrar Referendum / Election expenses are budgeted at \$40,000. Actual expenses are higher due to the special election. The following transfer is necessary so that the Registrars cost center does not close the year over budget.

INCREASE:

10071-52005	Referendum / Elections	\$9,000
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DECREASE:

108901-59101	Contingency	\$9,000
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Mr. Gomez made and Ms. Bornstein seconded a motion to approve Transfer #201105 as presented.  
VOTE: 5-0. **APPROVED.**

**NEW BUSINESS**

The BOF discussed when it wants to host the tri-board meeting.

The BOF decided to meet at 8:15 a.m. on September 28, 2011 to vote on the Schlumberger proposal. Any BOF members who cannot be physically present will call in.

**ADJOURNMENT**

A motion was made by Mr. Heiser and seconded by Ms. Sims Ulmer to adjourn the meeting at 10:57 p.m.

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

Respectfully submitted,  
Karen Rodgers, Recording Secretary