

**UN-APPROVED/BOARD OF FINANCE MINUTES – SPECIAL MEETING  
TUESDAY, JANUARY 17, 2012**

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A special meeting of the Board of Finance was held on Tuesday, January 17, 2012 in the large conference room in Town Hall at 7:30 p.m.

Members Present: David Ulmer, Chairman; Paul Sutherland, Vice Chairman; Jill Bornstein; Marty Heiser; and Jessica Mancini

Town Officials: Kevin Redmond, Controller; Jane Berendsen-Hill, Tax Collector

Guests: Vanessa Rossitto, Blum Shapiro; Christina Nolan, Director, Ridgefield Public Library; and Molly McGeehin, Ridgefield Library; Paul Roche, Director Parks & Recreation; Phil Kearns, Vice Chairman, Parks & Recreation Commission; and Gina Carey, Parks & Recreation Commission

**A G E N D A**

- 1) Election of Officers
- 2) Approval of Minutes –12/13/11
- 3) Review of Library Financials – Christina Nolan, Molly McGeehin, and Vanessa Rossitto
- 4) Tax Collector's Report  
December 2011 Report
- 5) Treasurer's Report
- 6) Review Update – Parks and Recreation - Paul Roche and Phil Kearns
- 7) Discussion of Tax Refund Policy
- 8) Controller's Report
  - a) Fiscal Year to Date 2012 and FCST
  - b) Storms Update (Aug 11 and October 11 storms) and status of FEMA for each
- 9) Discuss Potential Budget Presentation Format Changes
- 10) Discussion of December BAN
- 11) General
  - a) Old Business
  - b) New Business
  - c) Communications & Correspondence
8. Adjournment

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Ms. Bornstein called the meeting to order at 7:30 p.m.

**ELECTION OF OFFICERS**

Ms. Mancini nominated Mr. Ulmer as Chairman of the Board of Finance. Mr. Sutherland seconded that nomination.

Vote: 5-0. Nomination of Mr. Ulmer as Chairman of the Board of Finance Approved.

Discussion ensued with Mr. Heiser putting forward the nomination of Ms. Bornstein as Vice Chairman of the Board of Finance and noting that, years ago, Bernie Dzielinski served as Chairman of the Board of Finance for several years, while, at the same time, being the only Democrat on the board. Ms. Mancini expressed her strong feelings that Mr. Sutherland should serve as Vice Chairman of the Board of

Finance. She noted that there had been many opportunities that Mr. Ulmer has served on the BOF to elect him as Vice Chairman and it “never happened”. Mr. Ulmer noted that the Democrats never had more than one person on the Board of Finance, but in the last election the taxpayers voted and now there are three Democrats on the Board of Finance. Mr. Ulmer stated that Ms. Bornstein has done a good job filling in for Mr. Gomez (past Chairman) in his many absences, and is a valuable member of the BOF. Mr. Ulmer said “it was a landmark election” and the taxpayers are due the change they voted for.

Mr. Heiser nominated Ms. Bornstein for Vice Chairman of the Board of Finance. Ms. Bornstein seconded the nomination.

Voting in favor of the nomination: Mr. Heiser and Ms. Bornstein

Voting against the nomination: Mr. Ulmer; Ms. Mancini; and Mr. Sutherland

Vote: 2-0. Nomination **FAILED**.

Ms. Mancini nominated Mr. Sutherland for Vice Chairman of the Board of Finance. Mr. Ulmer seconded the nomination.

Voting in favor of the nomination: Mr. Ulmer; Ms. Mancini; and Mr. Sutherland

Voting against the nomination: Mr. Heiser and Ms. Bornstein

Vote: 3-0. Nomination **APPROVED**.

### **APPROVAL OF MINUTES**

Mr. Heiser made and Ms. Bornstein seconded a motion to approve the December 13, 2011 Board of Finance Minutes with corrections.

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

### **REVIEW OF LIBRARY FINANCIALS**

Ms. Rossitto told the BOF that in the last week of December the auditors had to change one of the numbers in the library’s financials, that the library’s financials are still not finalized, but she does not anticipate any more changes. The changed number appears on Page 13 of the Comprehensive Annual Financial Report for the Year Ended June 30, 2011 (Ridgefield Library column, “Capital Assets: Assets not being depreciated”) the amount should be increased by \$200k.

Ms. Rossitto recommended that the Town **not** reissue the financial statements. She stated that Blum Shapiro does not believe that anybody looking at the Town’s financial statements would be influenced in any way or make any different conclusions about the Town’s finances just because the Library’s assets are off by \$200k. Ms. Rossitto added that the change was necessitated because some items that were capitalized should not have been capitalized, e.g. legal fees related to the sale of the building and consultant’s fees for fund raising and/or the capital campaign.

Ms. Rossitto stated that re-issuing financial statements is a very complicated, involved process.

Mr. Ulmer asked if there were a way to insert an addendum to the financial statements, and Ms. Rossitto said there was not.

Mr. Sutherland asked why this (capital asset mis-statement) was not found earlier and Ms. Rossitto said the auditors did not receive the supporting documentation until the last week of December. She said the audit was delayed because a new actuary was hired and there was some confusion regarding the report that the actuary provided to the Library.

Mr. Heiser asked how pledges are evaluated, and Ms. Rossitto responded that the circumstances can vary considerably, from a pledge written on a paper napkin to a second-hand report on the results of a

telephone call. Ms. Rossitto said the auditors have to rely on the Library's management to evaluate the value of a pledge and there is a 2.5% present value discount and a 5% allowance built into the pledged amounts.

In response to an inquiry from Mr. Heiser, Ms. Nolan said the Library receives less than five (5) requests a year to review its financial statements.

Ms. Nolan informed the BOF that the Library is in a very strong position with its fund raising. A little more than \$3MM in pledges have some condition in writing about the passage of the referendum. She added that, if the referendum does not pass, the Library would have to go back to each of those donors.

Ms. Bornstein asked if the Library is planning on taking out a bridge loan and Ms. Nolan responded that the Library is currently having discussions with Fairfield County Bank regarding its borrowing options.

Mr. Ulmer asked if the Library would stop fund raising when it reached \$15MM, and Ms. Nolan responded "No".

**TAX COLLECTOR'S REPORT**

<b>TAX COLLECTOR'S REPORT</b> (\$ in millions)								<b>Prior YTD</b>	2009-10	2008-09	2007-08
Fiscal Year Ending 06/30/2012							%	<b>as %</b>	YTD	YTD	YTD
	<b>BUDGET</b>	<b>Q1</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Y-T-D</b>	<b>Clctd</b>	<b>of Actual</b>	<b>As Percent of Actual</b>		
<b>Current Taxes</b>	\$111.4	\$ 33.9	\$ 22.1	\$ 2.5	\$ 3.9	\$ 62.4	55.98%	56.18%	56.10%	55.84%	56.46%
<b>Supplemental MV</b>	\$ 0.6	-	-	-	0.2	0.20	32.24%	30.42%	29.41%	43.15%	7.26%
<b>Prior Year Clctns</b>	\$ 0.6	\$ 0.4	\$ 0.2	-	-	\$ 0.5	81.01%	59.56%	69.13%	57.52%	68.19%
<b>Int. &amp; Lien Fees</b>	\$ 0.4	\$ 0.1	-	-	-	\$ 0.2	47.39%	41.17%	67.70%	40.54%	46.06%
<b>As of 12/31/2011</b>	\$ 113.0	\$ 34.4	\$ 22.2	\$ 2.6	\$ 4.1	\$ 63.3	55.97%	56.15%	56.33%	55.80%	56.49%

Ms. Berendsen-Hill informed the BOF that the 31<sup>st</sup> of December fell on a Saturday and people put their tax payments in the mail on the 31<sup>st</sup> and the payments are not received by the Tax Collector until later in January; which makes December's collections appear a little weak. She added that her largest escrow provider send some taxes in December and the balance in January.

The supplemental motor vehicle bills sent out recently totaled \$640k, budget is \$575k. Ms. Berendsen-Hill anticipates exceeding budget this year. Ms. Berendsen-Hill said she is "doing very nicely" on prior-year collections.

Mr. Heiser asked if he should be concerned about conveyance tax revenues as compared to last year, and Ms. Berendsen-Hill said: "yes, you should".

**TREASURER'S REPORT**

Investment as of  
12/31/2011

HSBC	\$ 6,707,459.57	0.35
MBIA	\$ 5.13	0.14
Rdfl Bank (MuniMMA)	\$ 2,766,759.21	0.23

Rdfld Bank CD	\$ 1,504,161.85	0.40
Rdfld Bank CD 3mo	\$ 2,000,219.17	0.40
STIF (pooled short term)	\$ 525,692.00	0.17
Union Svg	\$ 7,434,238.52	0.25
Union Svg - CD	\$ 647,466.63	0.35
Wachovia (MunMMA)	\$ 986,238.82	0.25
	\$ 22,572,240.90	
YTD Interest Earned as of 10/31/2011		
HSBC	\$ 6,275.57	
Ridgefield Bank	\$ 8,243.87	
STIF	\$ 371.58	
Union Savings	\$ 8,874.28	
	\$ 23,765.30	

The BOF was unable to determine which account held the BAN money and the \$4.3MM from CL&P. Mr. Ulmer said he would talk with the Treasurer and find out.

### **REVENUE UPDATE – PARKS AND RECREATION**

Mr. Kearns informed the BOF that P & R has initiated new membership plans and pricing packages and has had a very favorable response from the public. He anticipates “a pretty good second half” but not good enough to recover from the first half. P&R is currently \$65k/\$85k (approx. 3%) under budget for the current fiscal year. P&R anticipates covering the shortfall by reducing expenditures in kind.

Mr. Kearns told the BOF: “It would have been nice to have the Spray Bay.”

Mr. Heiser noted how P & R opened its building for residents during the two recent storms when most of Ridgefield had no power. Mr. Roche said they had 12k visits, and many of the staffers volunteered to stay over night without additional compensation. Mr. Roche said he knows exactly what P&R spent on the two storms. (±\$45k)

Ms. Bornstein asked Mr. Redmond if some FEMA money (when received) would be parceled out to P&R.

Mr. Kearns offered to spend time with the new members of the BOF to bring them up to speed on how much P & R does in Town.

### **DISCUSSION OF TAX REFUND POLICY**

Ms. Berendsen-Hill explained:

As to real estate taxes, if the overpayment exceeds \$50.00 her office contacts the taxpayer(s) and asks if they want a refund or if they would prefer to have the overage applied to upcoming taxes. For personal (business) property and motor vehicle taxes, the Tax Collector’s office does not contact taxpayers regarding overpayments. By state statute, taxpayers must fill out a form and apply for a tax refund within three years of the overpayment. There is no law that requires overpayments to be refunded without an application.

Mr. Sutherland asked what happens to the overpayment money, and Ms. Berendsen-Hill said it has been put in the general fund.

For the 2009 grand list there were \$32k in overpayments which came down to \$19k because of applications for refunds. Up until the present time, tax overpayments were netted against un-receivables

which created a distortion. Ms. Berendsen-Hill brought this up to the auditors as something that should be changed. The auditors have recommended that the Tax Collector's office reflect a liability account, which now stands at \$70k. There is no legal way to refund the remaining \$130k. Ms. Berendsen-Hill would like that money wiped off her books.

Mr. Heiser asked for an explanation of how the overpayments occur. Ms. Berendsen-Hill said that a taxpayer might pay a motor vehicle tax bill and subsequently realize that he/she did not own the car during that particular tax period. The taxpayer will inform the tax assessor who will make an adjustment and notify the taxpayers of the adjustment and the fact that he/she may be due a tax refund. Sometimes a taxpayer pays a tax bill twice, but most of the time motor vehicle overpayments are attributable to car-leasing companies.

Mr. Sutherland made and Mr. Heiser seconded a motion to establish a liability account reflecting what tax overpayments are available for refund and for the Town to accept the overpayments that have aged out. Vote: 5-0. Motion **APPROVED**.

### **CONTROLLER'S REPORT**

Mr. Redmond noted that conveyance taxes are down about \$80k with some offset from recording fees. Mr. Ulmer opined that it will be the lowest (conveyance tax collection) year the Town has ever had.

Mr. Redmond continued noting that Building Department revenues are going to exceed budget by at least \$50k (without considering potential Boehringer Ingelheim revenues). People are investing in their current home rather than buying a new one.

Ms. Bornstein asked about the manufacturer's exemption money that has historically been received annually from the State. Mr. Redmond said that the manufacturer's exemption money was in flux at budget-building time and was built in at full or reduced amount plus sales tax revenue from the State's sales tax sharing account.

Mr. Ulmer consulted CCM which had estimated there would be another \$160k on the sales tax sharing, but that still leaves Ridgefield short.

Mr. Redmond continued his forecast: property taxes \$50k favorable, MME \$150k short; Building Department Revenues \$50k favorable; Conveyance and Recording fees \$150k short; Golf \$80k short; P & R flat; investment income down. Overall  $\pm$  \$165k short.

There are some savings attributable to job openings that have not been filled and the health savings plan.

Regarding FEMA money: nothing received yet. Mr. Redmond has submitted a request for expenses incurred as a result of Irene. For Alfred there has not even been a meeting yet. Usually there is a "kickoff meeting" and then the towns have sixty (60) days to submit their paperwork. Each storm cost the Town  $\pm$  \$300k.

Ms. Bornstein asked where in the monthly financial review the costs for the Schlumberger legal and environmental costs were reflected. Mr. Redmond responded that they are being held up until the transaction actually occurs.

Ms. Bornstein asked about the auditor's fee and Mr. Redmond responded that the auditors will bill the town up to the contracted amount of \$74.9. Ms. Bornstein asked about the Library's audit costs and Mr. Redmond responded that the Town pays on behalf of the library. The auditors had overruns on the

library and came looking for more money but were informed that the Town would not pay anything above the contracted price. He said another option would be for the library to go out and get its own auditor and then the Town would see a decrease in the auditor's fee.

Mr. Ulmer asked about the overtime account which appears to far exceed budget as a result of the storm costs. Mr. Redmond said if FEMA re-imbusement is not received before the end of the fiscal year, it would be carried as a receivable. Mr. Redmond said he expects to receive FEMA re-imbusement prior to June 30, 2012.

## **DISCUSS POTENTIAL BUDGET PRESENTATION FORMAT CHANGES**

Regarding Budget Format Changes, Mr. Redmond said it is really just geography:

- 1) Community grants – which are more like obligations than grants(e.g. Founders Hall and Tiger Hollow) Mr. Redmond recommends eliminating them and moving to #10899
- 2) School Resource Officer – Move to the Police Department's budget
- 3) Animal Control Officer: Auditors recommend the funds come from the General Fund. The bottom line is unchanged and it reduces the operating transfers by the same amount.
- 4) Adding \$2,500.00 for emergency management to the Fire Department's budget.
- 5) Reducing EMS by 100% and folding it all into Fire Fighting.

## **OLD BUSINESS**

### **NEW BUSINESS**

Mr. Heiser said the BOF has to decide what's to be done with the \$4.3MM CL&P refund. He expressed a strong preference for returning it to the taxpayers in the form of reduced taxes.

Mr. Ulmer said it would be part of the normal budget process to determine what to do with the money, e.g. to buy down taxes or put the money in the capital reserve account.

Someone in the audience asked how somebody could go about asking for some of that refund money. Ms. Bornstein said that somebody should go to the Board of Selectmen and ask for a special appropriation, that the process was laid out in the Town Charter.

Another person from the audience expressed his opinion that some of the CL&P refund money should go back to the BOE. Ms. Bornstein responded that it is already in the BOE's budget.

Mr. Heiser opined that every penny of the \$4.3MM should be given back to the taxpayers as soon as possible with an apology for allowing this overcharge to go on without discovering it. He called it a "glaring, embarrassing, mistake".

Ms. Mancini asked Mr. Heiser if he had an issue with the General Fund balance being lower than it should be. Mr. Heiser responded that the General Fund balance is consistently about 6%/8% of annual budget, which is considered an appropriate percentage by rating firms.

Mr. Ulmer noted that CL&P overpayments were over an eight-year period, when people were overtaxed and underserved and taxpayers could have had other programs.

Mr. Sutherland said he was inclined to agree with Mr. Heiser about returning the money promptly to the taxpayers. He noted that, if you spread the return out over future years, you are getting further and further away from the people who overpaid.

Mr. Ulmer said he would like to include public input in the BOF's meeting agenda. He stated his preference to handle public input in the same way the BOE does, by allowing people to speak about agenda items at the beginning of the meeting, with a three-minute time limit for each speaker.

Ed Tyrrell said he preferred the BOS's way, which allows people to say something at the time of the discussion.

Mr. Ulmer said the BOE has a "great system" of broadcasting its meetings and he would like to adopt it, although he admitted not knowing how it was done or how much it cost.

Mr. Ulmer said he has asked Mr. Redmond to update the fully-burdened expenses by cost center and have it ready for fiscal 2011/2012.

## **COMMUNICATIONS & CORRESPONDENCE**

### **ADJOURNMENT**

A motion was made by Mr. Heiser and seconded by Mr. Sutherland to adjourn the meeting at 9:43 p.m.

Vote 5-0. **Motion APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary