

**APPROVED
MINUTES FOR THE BOARD OF FINANCE REGULAR MEETING
TUESDAY, OCTOBER 20, 2009**

A regular meeting of the Board of Finance was held on Tuesday, October 20, 2009 in the conference room in Town Hall at 7:30 p.m.

Members Present: Marty Heiser, Chairman; Peter Gomez, Vice Chairman Kevin Walsh; David Ulmer; and Robert Cascella

Town Officials: Kevin Redmond, Controller; John Mannuzza, Asst. Controller; Jane Berendsen-Hill, Tax Collector; David Campbell, Pension Commission

A G E N D A

1. Approval of Prior Meeting Minutes
2. Tax Collector's Report
September 2009 Report
3. Treasurer's Report/Discussion
4. Controllers Report
 - a. September YTD Revenue and Expense Review
5. Dave Campbell, Pension Update/Discussion
6. Discussion Regarding Tri-Board Meeting for November
7. Property Lease Analysis
8. Old Business
 - a. New Business
 - b. Communications & Correspondence
9. Adjournment

Mr. Gomez called the meeting to order at 7:32 p.m.

APPROVAL OF PRIOR MEETINGS' MINUTES

Postponed until the next meeting.

TAX COLLECTOR'S REPORT

Tax Collector's Report

Fiscal Year Ending June 30, 2010

Prior YTD

(in millions)	Budget	July	August	Sept.	Y-T-D	% Cltd	% of Actl
Current Taxes	\$ 107.2	\$ 27.2	\$ 3.5	\$ 1.6	\$ 32.3	30.13%	29.77%
Supplemental MV	0.8			0	0.0	0.00%	0.00%
Prior Year Collections	0.5	0.2	0.1	0.3	0.6	126.04%	37.50%
Interest & Lien Fees	0.3	0.1	0.1	0.2	0.4	139.48%	19.68%
As of September 30, 2009	\$ 108.8	\$ 27.5	\$ 3.7	\$ 2.2	\$ 33.4	30.67%	29.78%

The tax collector reported that money paid by delinquent taxpayers boosted “Prior Year Collections” to 126% of budget. If that money is excluded from the calculation, relative to last year, collections are a little better than last year and a little below the year before. Ms. B-H noted that inquiries regarding payment of delinquent taxes have increased. For the next eleven months \$8,500.00 will be received in the prior year collections category as the result of a work-out with one tax delinquent. Ms. B-H reported that, by the end of the fiscal year she anticipates that “we will be close to the \$1MM mark on the fourteen (14) properties that nobody had done any enforcement on”. Four out of the fourteen properties that had more than four years of delinquent taxes were sold. Ms. B-H reported that there are more properties in arrears, but these fourteen were the biggest. She added that she anticipates another enforcement action in the spring of 2010.

Mr. Heiser asked: “Does this just fall to the fund balance?”

Mr. Redmond responded in the affirmative.

Mr. Heiser asked if there were an increase in the number of foreclosures in Ridgefield, and Ms. B-H responded that there was about one or two per month which she called the “new normal”.

TREASURER’S REPORT

Investments as of 10/15/09		
Ridgefield Bank	\$ 853,281.56	0.40
STIF	\$ 224,279.50	0.43
Union Savings	\$ 212,711.13	0.43
Union Savings CD	\$ 4,000,000.00	0.80
Wachovia	\$ 1,356,522.49	0.40
	\$ 6,646,794.68	
YTD Interest Earned as of 9/30/2009		
Ridgefield Bank	\$ 11,279.54	
STIF	\$ 383.75	
Union Savings	\$ 3,751.89	
Wachovia	\$ 525.54	
	\$ 15,940.72	

CONTROLLER’S REPORT

Mr. Redmond reported that Licenses and Permits are running a bit low. Recording fees and conveyance taxes are also a bit lower but “no red flag”. Ambulance, Police and Fire are running ahead. Regarding ECS (educational cost sharing), Mr. Redmond reported that the State said it will pay 86%, but the other 14% goes directly to the BOE. He said he would talk to the BOE to see how that 14% will be handled. He added that the State is very clear, stating that if a Town wants to amend its budget because of this, it can do so. He said that he sees this as a positive because the Town is still going to get 100% versus what it budgeted, which was 90%.

Mr. Redmond noted that golf revenue was trending lower than budget and lower than the prior year. He noted that the weather was bad. Parks & Recreation is running a little lower; it is having problems with swimming lessons that have actually declined. The P & R director has committed to come in on budget in both revenue and expenses. Mr. Redmond ventured to opine that he thinks “revenues are going to be okay”.

Mr. Cascella noted that the Treasurer’s report shows a \$4MM certificate of deposit with an interest rate almost twice that of the other deposits. Mr. Gomez commented that certificates of deposit could be dangerous without a comprehensive cash-flow analysis.

Mr. Heiser to Mr. Gomez: "When did you get off the band wagon?"

Mr. Redmond: "We will do the cash flow analysis."

Mr. Gomez: "That's when I will get excited."

Mr. Redmond asked the BOF if it wanted to look at bond anticipation notes for approximately \$5MM. He stated that he has a call into Janette Marcoux regarding same.

Mr. Heiser: "We are covering \$5MM in capital projects with all that coming against us we are still able to set aside \$4MM and get double the interest. It seems like this can be done. Are we having trouble meeting obligations?"

Mr. Redmond: "No, but to Peter's (Mr. Gomez)" point (regarding the cash flow analysis)."

Ms. B-H: "I believe it's a three-month certificate of deposit."

Mr. Ulmer and Ms. B-H both stated that June and July are the tightest months in terms of cash flow.

Mr. Heiser asked what interest rates are now and Mr. Redmond said he was not sure, but estimated them in and around 4%.

Mr. Ulmer said interest rates are more like 1% or 2%.

Mr. Walsh asked Mr. Redmond how the audit was proceeding, and Mr. Redmond said he thought it was going very well, and that no findings had been presented to him at this point. He anticipated a report in December.

Mr. Heiser asked if the Town still had a hiring and salary freeze in place. Mr. Redmond responded that there is still a salary freeze and that he and Mr. Marconi have to approve any hiring.

Mr. Redmond then moved to the expense side of the budget and noted that Parks & Recreation is running under. He said that were a lot of timing differences that were creating some anomalies in the financial report. The Fire Department's overtime budget is at 37% which is lower than last year at this time. "I think we feel okay about that one. There are some guys out on disability, driving that a little higher."

Mr. Ulmer asked about the Barlow Mountain utilities, and Mr. Redmond said that the BOE bills the Town for that item. The BOF questioned Mr. Redmond about a \$52k sewer expense (Mr. Redmond was not sure what it was for); vehicle maintenance (already expended 46% of budget); grounds maintenance costs; and liability insurance.

Mr. Heiser asked about State reimbursement on the school projects. Mr. Mannuzza said that we are waiting for the State to authorize the bonding necessary to get the money to pay the Towns. Currently, the State does not have the bonding in place to make good on those commitments. Mr. Heiser again expressed his frustration with this issue, saying it has gone on for years and he wants closure.

DAVE CAMPBELL – PENSION UPDATE/DISCUSSION

In response to Mr. Heiser's inquiry, Mr. Campbell said that in October 2007, Ridgefield's pension fund value was about \$58MM; in March 2009 it was about \$37MM. He said that Ridgefield's pension fund is off by about one third, where the Standard & Poors and Dow Jones indexes are off by about one half. With the \$2.5MM contribution in July 2009, the value of the pension fund came up to \$55MM. When the value of the pension fund was \$58MM, the liabilities were about \$60MM. Mr. Campbell estimated that those liabilities have increased about to about \$65MM/\$66MM, and said: "We are better, but we are still behind." He said the actuaries have recommended a \$1.9MM Town contribution and a \$600k BOE contribution. Mr. Ulmer noted

that new hires in the Fire Department have a defined contribution (as opposed to a defined benefit) contribution post employment benefits plan. Mr. Campbell said he was not aware of that fact. He said the Police, Fire and Highway Departments are on a defined benefit pension program.

Mr. Heiser asked Mr. Campbell about a proposal he (Mr. Campbell) had verbalized at a previous meeting regarding bonding the Town's pension contribution. Mr. Campbell said that the time when that might have been a good strategy has passed and the idea should be forgotten. He said it was a very risky strategy. He also noted that the State of Connecticut Teachers fund did it, as did the State of Illinois. In response to an inquiry, Mr. Campbell said that the Pension Commission sets the actuarial assumptions; and Vanguard has been hired to advise the Pension Commission. Bob Frank (Loundsday Road) said that the Pension Commission should have adjusted the Pension Fund portfolio and moved into Treasuries. He opined that: "we are not getting good advise, and that has to be looked at. I think we missed the boat."

Mr. Walsh explained that the Pension Fund has a time horizon of one hundred years, and that we are not here to talk about measuring specific performance. He suggested to Mr. Frank that he attend a Pension Commission meeting, and ask his questions there. Mr. Walsh said: "I don't share your logic, and this is not the place for it. I think credit is due to the hard work and effort and experience we have working for us."

Regarding the OPEB (other post-employment benefits) account, Mr. Campbell said that it was funded for the first payment in July, and the Pension Commission received \$140k to invest. The Pension Commission put the money in equities (25%) and high-quality bonds (75%) and now has \$152k as of October 15, 2009. He added that the Pension Commission may elect to adjust the asset allocation.

DISCUSSION REGARDING TRI-BOARD MEETING FOR NOVEMBER

The BOF agreed to proposed November 17, 2009 for the tri-board (BOF, BOE, BOS) meeting.

OLD BUSINESS

Mr. Heiser noted that this was Mr. Walsh's last meeting and thanked him for his able service to the Town.

ADJOURNMENT

A motion was made by Mr. Gomez and seconded by Mr. Walsh to adjourn the meeting at 9:06 p.m.

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

Respectfully submitted,
Karen Rodgers, Recording Secretary