

**APPROVED/BOARD OF FINANCE MINUTES – SPECIAL MEETING  
TUESDAY, DECEMBER 13 2011**

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A special meeting of the Board of Finance was held on Tuesday, December 13, 2011 in the large conference room in Town Hall at 7:30 p.m.

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

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

**A G E N D A**

- 1) Approval of Minutes –11/15/11
- 2) Review of CAFR/Single Audit/Management Comment Letter – Vanessa Rossitto of Blum Shapiro
- 3) Tax Collector’s Report  
October 2011 Report
- 4) Treasurer’s Report
- 5) BOE YTD Financial Review – Paul Hendrickson  
Fiscal 2012 Year To Date
- 6) 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
- 7) Review/Approval of 2012 Meeting Schedule
- 8) Discussion of December BAN
- 9) 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.

**APPROVAL OF MINUTES**

Mr. Ulmer made and Ms. Bornstein seconded a motion to approve the November 15, 2011 Board of Finance Minutes with corrections.

Vote: 3-0. Mr. Sutherland and Ms. Mancini abstained. Motion **APPROVED**.

Ms. Rossitto reviewed the CAFR with the Board of Finance, starting by explaining that it was still in draft form because the library’s audit was a bit more complicated this year and more information from the library is needed. She anticipates completing the report by next week. The library is in the midst of a fund-raising campaign which has resulted in more contributions this year. Accounting for these contributions, many of which are in the form of pledges, has to be done according to IRS regulations and is “very involved”. The Town audit also includes a financial statement for the library which is issued separately.

Ms. Rossitto informed the BOF that the auditors, again, gave Ridgefield a clean, unqualified opinion on its financial statements, “which is the highest you can receive”.

The Town's total net assets are \$96,010,505, an increase of \$7.8MM from last fiscal year.

Pursuant to GASB 54, fund balance is now broken down into the following:

- Nonspendable Fund Balance**
- Restricted Fund Balance**
- Committed Fund Balance**
- Assigned Fund Balance**
- Unassigned Fund Balance**

Total fund balance is \$10,274,665, up from \$9,287,168 last year and 7.2% of the budget. Ms. Rossitto opined that Ridgefield is "pretty healthy", that anywhere from 5% to 15% is good, but taxpayers complain they are over taxed when the percentages near 15%. Mr. Heiser asked about the BOE's year-end encumbrances and Ms. Rossitto said the auditors tested the encumbrances and they were all validated.

Mr. Heiser asked about purchase orders and credit card purchases. Ms. Rossitto responded that a new computerized purchase-order system was instituted in July 2010 and the "controls are working adequately".

Revenues were under budget by \$1MM and expenditures were \$1.1MM under budget, demonstrating a good job of keeping expenditures down when revenues were down, all of which added to the fund balance (\$450k that was not expended and \$150k that was left over).

Ms. Rossitto noted that the pension trust fund improved because of improved financial markets. Ms. Bornstein asked how Ridgefield's OPEB (other post-employment benefits) funding compared to that of other Connecticut towns. Ms. Rossitto responded that all towns are increasing their funding. There is no federal or state mandate to fund OPEB, only to report it. Ridgefield has three pension plans (Town; Police and Firefighters) and the obligation for each is increasing.

**TAX COLLECTOR'S REPORT**

Tax Collector's Report

Fiscal Year Ending June 30, 2012

(in millions)	Budget	Q1	October	Nov.	YTD	% Cltd	Prior YTD	09-10 YTD	08-09 YTD	07-08 YTD
							% of Actual		% of Actual	
Current Taxes	111.4	33.9	22.1	2.5	58.5	52.53	52.18	52.21	52.01	
Supplemental MV	0.6	-	-	-	-	-	-	-	-	
Prior Year Collections	0.6	0.4	0.1	-	0.5	73.47	56.88	62.84	44.74	
Interest & Lien Fees	0.4	0.1	0.0	-	0.1	39.73	36.25	63.66	30.07	
As of Nov. 30, 2011	113.0	34.4	22.2	2.6	59.1	52.32	52.15	52.42	51.88	

In response to an inquiry about tax overpayments, Ms. Berendsen Hill explained that, if a real estate tax overpayment exceeds \$50.00 for the year, her office will contact the taxpayer or move the overpayment to the next year. The tax collector's office does not contact taxpayers for overpayment of business or personal property taxes.

Ms. Berendsen-Hill reported that November tax collections were "a bit weak", but year-to-date collections are "just fine". She added that supplemental motor vehicle taxes should be going out sometime next week.

**TREASURER’S REPORT**

Investment as of  
11/30/2011

HSBC	\$ 6,705,466.30	0.35
MBIA	\$ 5.13	0.14
Rdfld Bank (MuniMMA	\$ 971,024.78	0.23
Rdfld Bank CD	\$ 1,503,651.03	0.40
STIF (pooled short term)	\$ 580,883.89	0.20
Union Svg	\$ 4,123,610.97	0.25
Union Svg - CD	\$ 647,274.23	0.35
Wachovia (MunMMA)	\$ 916,015.26	0.25
	\$ 15,447,931.59	
YTD Interest Earned as of 10/31/2011		
HSBC	\$ 4,282.30	
Ridgefield Bank	\$ 6,890.68	
STIF	\$ 284.17	
Union Savings	\$ 7,260.25	
	\$ 18,717.40	

**BOE YTD FINANCIAL REVIEW – PAUL HENDRICKSON**

Mr. Hendrickson expressed some concern about having to fund OPEB, estimating that it would be one half of one percent of the BOE’s budget this year. He noted that it doesn’t have to be funded, it only has to be reported as an unfunded liability. Mr. Redmond opined that “if you don’t do (fund) it, the rating agencies would have a fit”. Mr. Ulmer explained that contributions to the OPEB fund are payments against a future liability.

Mr. Hendrickson ran through the BOE’s financials noting that an up-front HSA payment accounted for the overage; and special education is currently under budget, month and year to date. Mr. Sutherland asked about fuel oil prices, and Mr. Hendrickson responded that the price of fuel was beginning to come down and the BOE had not yet locked in a price. Mr. Redmond said the Town locked in at \$3.01.

Mr. Hendrickson said the BOE has already submitted an insurance claim for losses attributable to Hurricane Irene and is working on a claim for losses due to Alfred (the October 29, 2011 snow storm)

**CONTROLLER’S REPORT**

The Board discussed how best to reflect the various storm costs. Mr. Redmond said his preference would be to reduce the expense lines. Currently, anything payroll related is in the individual cost centers. Anything else out of pocket is currently not shown. Mr. Redmond noted that It distorts the year-to-year figures, which is how the budgets are built. All costs related to Hurricane Irene are in the First Selectman’s cost center, and they all over the place.

Ms. Bornstein noted that costs related to the Schlumberger property purchase to date amount to \$6MM to pay for the property, plus an additional \$1MM for legal costs, clean-up costs, and misc. She said the Town needs a schedule for that \$1MM, what is going to be applicable to go against it and where the costs being handled.

Mr. Ulmer asked what will be done if the Town ends up not owning the Schlumberger property, opining that it would have to be carried as an operating expense.

Mr. Heiser made note of the Fire Department's substantial overtime costs, and Mr. Redmond said it was attributable to Irene and Alfred.

Ms. Bornstein asked about the Parks & Recreation and Golf Course budgets. Mr. Redmond said that Parks & Recreation revenues are down  $\pm$  \$100k which will be made up by reducing expenses. Golf Course revenues are down and there is not a lot that can be done to mitigate that.

The BOF discussed whether or not it was necessary for Paul Hendrickson to attend every BOF meeting and agreed that asking him to attend every other month would be sufficient.

Mr. Ulmer asked about workmen's compensation and disability costs. Mr. Redmond noted that the workmen's compensation premiums were coming in higher than anticipated which they should have known when the budget was put together.

### **REVIEW/APPROVAL OF 2012 MEETING SCHEDULE**

Regular Meetings: Tuesdays: January 17, 2012; February 21, 2012; March 20, 2012; May 15, 2012; June 19, 2012; July 17, 2012; September 18, 2012; October 16, 2012; November 20, 2012; December 18, 2012.

Public Hearing on Proposed Budget: Monday, March 26, 2012

Budget Deliberations: Tuesday March 27, 2012 through Thursday, March 29, 2012; Tuesday April 2, 2012 through Thursday April 4, 2012; Tuesday April 10, 2012 through Thursday April 12, 2012.

### **DISCUSSION OF DECEMBER BAN**

Estimating the size of the BAN (bond anticipation note), Mr. Redmond included the following:

\$6.0MM for Schlumberger purchase  
\$4.8 MM for fiscal 2012 capital items  
\$1.1MM for Bennetts Pond expenses  
\$0.875MM for the Venus Building maintenance expenses  
\$12.8MM TOTAL

Mr. Redmond expects the bids to be opened tomorrow and the funding on December 22<sup>nd</sup>.

Mr. Heiser expressed his discomfort with funding the Schlumberger purchase before it was a completed transaction. Citing the possibility that the environmental testing results in the purchase not being consummated, and the costs of the funding already incurred, Mr. Heiser said: "It's going to look pretty stupid, it just will."

Other members of the BOF agreed that "conceptually it's strange."

### **OLD BUSINESS**

## **NEW BUSINESS**

Mr. Heiser welcomed newly-elected members, Paul Sutherland and Jessica Mancini, to the Board of Finance.

## **COMMUNICATIONS & CORRESPONDENCE**

## **ADJOURNMENT**

A motion was made by Mr. Heiser and seconded by Mr. Sutherland to adjourn the meeting at 10:06 p.m.

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

Respectfully submitted,  
Karen Rodgers, Recording Secretary