

**MINUTES OF THE BOARD OF FINANCE REGULAR MEETING  
TUESDAY, DECEMBER 16, 2008**

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A regular meeting of the Board of Finance was held on Tuesday, December 16, 2008 in the conference room in Town Hall at 7:30 p.m.

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

Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller; Jane Berendsen-Hill, Tax Collector

Guests: Vanessa Rossitto and Jenna Lombardo – Blum Shapiro

A G E N D A

1. Approval of Prior Meeting Minutes Review of Draft June 30, 2008 CAFR – Vanessa Rossitto
  2. Tax Collector's Report
  3. Controllers Report:
    - a. Financial Review
    - b. Transfer
  4. GASB 45 Discussion
  5. Old Business
    - a. New Business
    - b. Communications & Correspondence
  6. Adjournment
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Mr. Heiser called the meeting to order at 7:30 p.m.

**APPROVAL OF PRIOR MEETINGS' MINUTES**

A motion was made by Mr. Cascella and seconded by Mr. Walsh to approve the Minutes of the Board of Finance meetings of November 18, 2008, both the Joint Meeting with the Board of Selectmen and the Board of Education, and the Regular Board of Finance meeting, and the November 24, 2008 Board of Finance meeting.

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

**REVIEW OF DRAFT JUNE 30, 2008 CAFR – Vanessa Rossitto – Blum Shapiro**

Ms. Rossitto told the BOF that Blum Shapiro's opinion letter is "unqualified" or "clean" which is the highest opinion a town can receive.

The BOF and Ms. Rossitto then reviewed various reports within the Annual Report starting with:

1. the Statement of Net Assets : "nothing new, consistent with the prior year".

2. Statement of Activities for year ended 6/20/08: "net assets increased \$6MM from the prior year"  
Ms. Rossitto explained that the goal of this report is to show net expenses of each function of government. Mr. Gomez commented that OPEB (other post-employment benefits) will be inserted here next year.
3. Balance Sheet – Governmental Funds – General Fund has a \$9.9MM total fund balance which is 7.7% of budget revenues. \$1.2MM is designated to defray the mill rate increase and \$800k is encumbered.
4. Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds – "\$665k increase in fund balance this year from last year.
5. General Fund, Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual:  
Shows Public Works was over budget by \$35.8k (the audit found an electric bill that was not recorded in the proper period).
6. Proprietary funds: Internal Services Fund has net assets of \$350k, down \$133.9k from last year.
7. Pension Trust Fund has assets of \$53.2MM, a decrease of \$3.2MM from the prior year due to depreciation of FMV. Ms. Rossitto noted that most of her clients saw paper losses of 24%/27% in the same period.
8. The Town's Three Pension Funds: 1) Town Pension Plan (569 participants, 360 from the BOE and 209 from the Town; 2) Police Union Pension Plan (68 participants); and 3) Firefighters Union Pension Plan (53 participants).
9. Schedule of service payments on debt showing total long-term liabilities of \$130.3MM. Mr. Ulmer asked if penalties would be incurred if the Town were to pay down some of the bonds, and Mr. Rossitto suggested that the BOF ask bond counsel as each issue could be different. Mr. Rossitto commented that the amount of debt is a "little high", but the fund balance is increasing, not decreasing. "You had a relatively good year in a bad economy."
10. Mr. Ulmer asked "what's in the \$6.9MM of authorized but unissued bonds"?
11. Ms. Rossitto noted that purchase order policy is not being followed. She said it would be good if the Town purchased a Munis module that would do this automatically.

## TAX COLLECTOR'S REPORT

TAX COLLECTOR'S REPORT (\$ in millions)

							Prior YTD
							as %
	BUDGET	Q1	Oct.	Nov.	Y-T-D	Clctd	of Actual
Current Taxes	\$ 105.6	\$31.6	\$21.3	\$ 2.4	\$ 55.2	55.20%	52.76%
Supplemental MV	\$ 0.8	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Prior Year Clctns	\$ 0.5	\$ 0.3	\$ -	\$ -	\$ 0.3	67.22%	62.22%
Int. & Lien Fees	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ 0.1	34.51%	39.88%
As of 11/30/08	\$ 107.1	\$32.0	\$21.3	\$ 2.4	\$ 55.7	51.98%	52.76%

## TAX COLLECTOR'S REPORT

(\$ in millions)

Totals are rounded							Prior YTD
							as %
	BUDGET	Q1	Oct.	Nov.	Y-T-D	Clctd	of Actual
Current Taxes	\$ 102.1	\$ 32.1	\$ 20.4	\$ 1.9	\$ 54.4	53.31%	52.58%
Supplemental MV	\$ 0.8	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Prior Year Clctns	\$ 0.5	\$ 0.2	\$ -	\$ 0.1	\$ 0.3	63.73%	53.78%
Int. & Lien Fees	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ 0.1	38.82%	39.39%
As of 11/30/07	\$ 103.7	\$ 32.4	\$ 20.5	\$ 2.0	\$ 54.9	52.90%	52.46%

Mrs. Berendsen-Hill said the bad news is the budgeted amount for supplemental motor vehicle taxes was not adjusted for the decline in the mill rate, so the amount is \$640k instead of \$750k, and the Town never collects all of it. The good news is that collections are keeping up.

**TREASURER'S REPORT**

Investments as of 11/30/07

Investments as of 11/30/2008

<u>Amnt Invested</u>			<u>Amnt Invested</u>	
MBIA	\$206,941.27		MBIA	\$ 306,988.64 1.71
Ridgefield Bank	\$10,207,831.00		Ridgefield Bank	\$11,065,774.06 1.87
STIF	\$931,450.55		STIF	\$ 837,708.41 1.85
Union Savings	\$4,961,111.15		Union Savings	\$ 3,320,528.25 1.97
Wachovia	<u>\$4,467,340.75</u>		Wachovia	<u>\$ 4,180,913.09</u> 0.78
	\$20,774,674.72 4.78%			\$19,711,912.45
YTD Int. Earned:			YTD Int. Earned:	
Bank of America	\$1,203.48		MBIA	\$ 2,171.87
MBIA	\$4,026.27		Ridgefield Bank	\$ 115,585.96
Ridgefield Bank	\$294,863.10		STIF	\$ 5,314.77
STIF	\$16,022.95		Union Savings	\$ 41,516.99
Union Savings	\$107,850.90		Wachovia	<u>\$ 12,800.00</u>
Wachovia	<u>\$118,028.30</u>			\$ 177,389.59
	\$541,995.00			

**CONTROLLER'S REPORT**

Mr. Redmond began his report with a discussion of revenues noting that the lack of revenue appearing in the educational grants column was not a cause for concern, but a matter of timing. He went on to the Building Department where revenues are "down quite a bit" but revenues of \$150k/\$200k from Boehringer Ingelheim are still anticipated. The revenue trend from conveyance taxes seems to be getting a little worse. The shortfall risk has increased to \$330k from \$300k. Interest income is showing a similar negative trend. The amount of money invested has declined slightly and the interest rates have declined precipitously.

Mr. Marconi interjected at this point saying: "We are probably talking about adjusting other expenditure areas, we are reviewing all of our options."

Mr. Redmond moved the discussion to expenses, saying there are not a lot of surprises there.

Mr. Marconi said the Golf Committee hopes to increase the number of rounds played by coming up with promotional programs for mid-week play. Non-residents currently pay \$45.00 per round mid-week and \$50.00 on the weekends. Residents pay \$25.00 per round.

Parks & Recreation revenues are off 2%.

**Transfer # 200906**

The Board of Selectmen wishes to transfer \$196,000 from the Venus Building Roof Capital Account to the Venus Building Improvement Account. In order to do so, the funds must first pass through the Capital Reserve Fund. These funds, along with a Chef's Warehouse four month rent abatement, will fund the remaining unfunded leasehold improvements. Contingent on approval from the Board of Finance, a Special Town Meeting will be held on December 17, 2008 to approve this transfer.

The Board of Selectmen is requesting approval for the following transfers.

INCREASE:

30551-568276	Venus Building Improvement Account	\$196,000
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DECREASE:

30551-56107	Venus Building Roof Capital Account	\$196,000
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INCREASE:

31051-00000	Capital Reserve Fund	\$196,000
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DECREASE:

31051-00000	Capital Reserve Fund	\$196,000
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VOTE: 5-0. Motion **APPROVED**

Mr. Marconi explained that \$430k was needed to do the job. The Town is able to cover about \$128k by taking money designated for other projects, e.g. sidewalks and boiler costs. In the 1998/1999 budget \$900k was approved for the roof and it was used to do some patching and Phase 1 for about \$440k/\$600k, \$196k remains. After the work is done there would be four more months of rent abatement in addition to the original abatement.

Mr. Walsh asked what the value of the abatement was, and Mr. Redmond responded \$27k per month.

**GASB 45 DISCUSSION**

Mr. Redmond said he has met with the actuary and determined the Town's OPEB liabilities total \$17MM, most of which is attributable to the Board of Education. It does not all have to be funded now, but a higher discount rate is accorded to Towns that set up a Trust.

He passed out a report to the BOF members showing the budget impact of the \$420k amount needed to fund this year's obligation this year. The rating agencies allow a five-year phase-in of this obligation. The Town does want to fund into a trust where, over five years, the Town will get to the point where the OPEB obligation is fully funded.

Mr. Gomez observed that 92.5% of the OPEB obligation is attributable to the BOE.

Mr. Ulmer called the OPEB an "unbelievable perk".

Mr. Redmond observed that the Town will have to hire Milliman every two years to value the Town's obligation and recommend the correct level of funding.

## OLD BUSINESS

Mr. Redmond presented another internal auditor's bill in the amount of \$7,500.

Mr. Redmond reported that he spoke with the Town Treasurer about combining funds with one bank and putting it out to bid. The Town Treasurer indicated she did not want to do this.

Mr. Cascella brought up the "hydrant issue at the Knolls", which Mr. Marconi noted "has been that way for about twenty-five years". Mr. Cascella asked if there were anything the BOF could do to assist with that and Mr. Marconi responded that Todd Kaufman has an appointment with the Fire Chief to discuss it.

## New Business

Mr. Walsh passed out little booklets he received at an FOI informational meeting he attended. He related some of what was discussed at the meeting regarding meetings, minutes and email communications. Case law regarding email communications is still developing, but, at the present time, if a board's or committee's emails cross the threshold of deliberation, that's considered a meeting. If a dialogue is created, that's a meeting.

## Communications & Correspondence

## ADJOURNMENT

A motion was made by Mr. Cascella and seconded by Mr. Gomez to adjourn the meeting at 10:04 p.m.  
Vote 5-0. Motion **APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary