

**APPROVED  
BOARD OF FINANCE MINUTES  
TUESDAY, MARCH 31, 2009**

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A budget deliberations meeting of the Board of Finance was held on Tuesday, March 31, 2009 in the lower conference room in Town Hall at 7:30 p.m.

Members Present: Martin Heiser, Chairman, Peter Gomez, Vice Chairman  
Dave Ulmer, and Robert Cascella

Members Absent: Kevin Walsh

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

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Mr. Heiser called the meeting to order at 7:30 p.m.

The BOF discussed "process" and scheduling for the rest of the week, deciding to talk with the BOE and Parks & Recreation tomorrow night and keep Thursday night open for deliberations and a possible vote on the budgets.

Mr. Heiser asked Mr. Marconi to join the BOF at the head table and "give us some of the high notes".

### **REVENUES**

Mr. Marconi said that, for the most part, the BOS defaulted to the current year's revenue numbers, basically holding to what it thinks revenues will be for the 2008/2009 fiscal year. The BOS feels comfortable that revenues will not go lower, but it is not comfortable forecasting any increase in revenues. Interest, which was forecast at \$650k for the 2008/2009 fiscal year, will probably be only \$250k for the year. The place holder for 2009/2010 is \$250k.

The amount of Education Cost Sharing (ECS) anticipated from the State and the time of its arrival was discussed at length. Mr. Marconi said that State Representative John Frey thinks there will be a 10%/15% reduction. Representative Godfey, (Danbury) opined that there was no way to balance the State's budget without going into ECS. Mr. Ulmer said he did not think anticipating a 15% reduction was appropriate. Mr. Marconi said it was more likely that wealthier towns, like Ridgefield, would see a 15% reduction, and cities like Bridgeport and Hartford would see only a 5% reduction.

Mr. Ulmer said it was not in the best interests of the Town to be too conservative in forecasting revenues. He opined that a 50/50 revenue estimate was preferable.

Mr. Marconi said that Boehringer Ingelheim will not come in with building permit fees this fiscal year. Mr. Redmond expressed surprise and disappointment at this pronouncement. Mr. Heiser said that the Town would have the revenues next year in the 2009/2010 budget. He continued that he could not imagine another year when revenue projections were off by \$1.1MM. Mr. Ulmer said the Town could use some of the Fund Balance if it runs into trouble. Mr. Cascella disagreed with Mr. Ulmer, saying the BOF should take a very conservative look at revenues, and said he doesn't like Mr. Ulmer's 50/50 approach. Mr. Cascella said the BOF should try

hard to avoid what happened this year, which included layoffs. Mr. Ulmer opined that more layoffs might be necessary this year.

Mr. Marconi said the BOS is looking for \$15MM in real estate sales each month, and is trying to plug in realistic numbers. Summarizing, Mr. Ulmer said: "We are saying this year is our low, and we are projecting no improvement next year."

Ms. Berendsen-Hill informed the BOF that the tax revenue numbers for March have been tallied and "we have made up the five tenths of a percent that we were behind. Prior years' taxes are continuing to stay strong. Bottom line is that I am about one tenth of one percent ahead. This is bottom line, total taxes."

Mr. Ulmer: "We are not going to change your percent of collection. It is at a high now."

Ms. Berendsen-Hill said that people are starting to pay supplemental motor vehicle taxes on new cars purchased since October. She added that she is about to do "enforcement" of about \$900k on a couple of dozen properties via tax sales. Continuing, she said that lenders no longer want to allow borrowers to slide on their tax payments. She is seeing some interest by long time deferred tax payers in reverse mortgages, which are now government insured. In order to qualify for a reverse mortgage, all deferments have to be paid off. Mr. Marconi said that some homeowners have been double dipping with tax deferments in two states. Ridgefield sent out letters informing tax payers that this is against the law and has collected some deferred taxes as a result.

Mr. Gomez said he favors Mr. Ulmer's 50/50 approach.

Mr. Marconi said the BOS looked at four major categories: 1) tax collections; 2) conveyance taxes; 3) interest income; and 4) permit fees.

Mr. Heiser said he was comfortable with the revenue numbers as presented.

Mr. Gomez said he strongly encourages re-bidding our banking relationships, and asked Mr. Marconi to appeal to the Town Treasurer to do so. He acknowledged that it involves a lot of work. Mr. Marconi said he would contact CCM and get information from other communities. Ms. Berendsen-Hill said that Ridgefield gets a lot of compensating services from some banks, and Mr. Gomez said that should be put in the bid. Cash flows and bank accounts were discussed. Mr. Gomez opined that there seems to be an inverse relationship between interest rate and where the biggest amount of money is. "People respect what you inspect." Charter changes were mentioned. Mr. Heiser said he is disappointed with the \$250k, but thinks it is the right amount.

Mr. Ulmer looked at the net revenue from Police, Special Duty and said he thinks the BOF should forecast a net of \$50k in revenue. Mr. Marconi said he wants to discuss that with the Chief of Police because he anticipates less road work being done in the coming fiscal year.

Mr. Ulmer asked Mr. Redmond the balance in the Capital Reserve Account. Mr. Redmond said the balance is less than \$100k.

## **CAPITAL**

Mr. Heiser looked at the Police Chief's request for \$107k for four new Crown Victoria cruisers and \$37k for unmarked police cars. Mr. Marconi opined that "...this is the best rotation for the Town". He continued: "We will take any cars that look decent and we will use them for the Town if we can."

Wear and tear on the cars and the impact of idling time were discussed.

Mr. Gomez: "Can we idle less and get more use out of them?"

Mr. Marconi: "No, when they get out of their cars they don't turn them off."

In response to any inquiry from Mr. Heiser, Mr. Redmond said there is no detailed history in the ledger for the capital accounts, and some of them are in a deficit position. He said the big projects are Bennett's Pond and the school projects. Mr. Ulmer offered that a lot of the proposed capital projects should be moved into the operating budget because they did not fit the BOF's capital projects' parameters of a life of more than ten years and a cost in excess of \$100k. Mr. Cascella asked if ten-year bonds (as opposed to twenty-year bonds) had been considered.

Mr. Heiser noted that the Town's operating budget showed a zero increase and Mr. Marconi corrected that saying the increase is a little under zero; it is actually a .67 reduction amounting to \$200k.

Mr. Ulmer asked about pensions. Mr. Marconi said the Town lost about \$18MM in the pension fund. Asked by Mr. Marconi about how to fund going forward, Mr. Marconi said he was advised by Dave Campbell, Chairman of the Pension Committee, that the Town should double what it did this past year. Mr. Redmond said there is a way a Town can bond a pension short fall. It is a taxable bond. Mr. Heiser said that pensions were the hottest topic at a meeting of chairmen of Fairfield County boards of finance he attended recently.

The proposal for funding other post-employment benefits (OPEB) over a five year period was looked at.

Mr. Ulmer noted that the Town is about \$400k under in expenses for the current fiscal year. Mr. Redmond said it was definitely going to be tight right until June. He added that anticipated revenue from Boehringer Ingelheim's building permits was in his calculations.

Mr. Heiser looked at the revenue projections: \$517k licenses and permits with building permits projected to be \$395k of that amount, "... which is what they are this year, so I am comfortable adding \$200k to that."

Mr. Marconi: "I would not be in a hurry to put that in. I would rather add it than have to take it out, but that's your call."

Mr. Gomez observed that grand list growth seems to be trending down.

#### ADJOURNMENT

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

Vote: 4-1. Motion APPROVED.

Respectfully Submitted,  
Karen Rodgers  
Recording Secretary