

**APPROVED
BOARD OF FINANCE MINUTES
THURSDAY, APRIL 1, 2009**

A budget deliberations meeting of the Board of Finance was held on Wednesday, April 1, 2009 in the lower conference room in Town Hall at 7:30 p.m.

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

Members Absent: Kevin Walsh

Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller
Di Masters, Selectwoman; Deborah Low, Supt. Of Schools;
Paul Hendrickson; BOE Business Manager; Board of Education
Members: Katherine McGerald; Richard Steinhart; Paul Sutherland;
and John Palermo, Jr.; Paul Roche, Director, Parks & Recreation;
Phil Kearns, Chairman, Parks & Recreation Commission; Barbara
Dobbin, Vice Chairman, Parks & Recreation Commission.

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

DISCUSSION WITH BOE

Mr. Heiser asked Mr. Hendrickson how much money the BOE would receive from the State on the Scotts Ridge Middle School, and Mr. Hendrickson replied that the final re-imbusement figures have been submitted and the funds should be forthcoming by the end of April or early May. Regarding East Ridge, Mr. Henrickson said that there are still about twenty-six outstanding change orders that the BOE does not have documents for and it is trying to get those documents from O & G so that they can be included with the submission to the State.

Mr. Heiser asked if the BOE has signed off on all the school building projects. Both Mr. Henrickson and Ms. Low responded affirmatively.

Mr. Gomez said he did not agree with Mr. Heiser's assumption that the State would re-imburse Ridgefield the full \$2MM requested. Mr. Redmond reminded the BOF that some of the school building project accounts were in a deficit position and would have to be zeroed out before any of the State re-imbusement could be used to fund next year's budget. He said the various accounts have to be recreated from their beginnings and that would take time. "We have to be careful to cover the deficit positions." Mr. Steinhart said the BOE never saw those deficits and asked: "where does the money go if we have to pay it back?"

Mr. Ulmer offered that the bonding process will reveal how much was bonded for all the schools and the general ledger give us the allocations. It could be that more was spent than was bonded. Money was moving from school to school based on what needed to be done. Mr. Redmond has to follow the money that has been spent and match that to what has been bonded.

Mr. Heiser repeated his request for an eta on the various State re-imburements due. Mr. Hendrickson said that Scott's Ridge re-imburement should come in around the first of May. Barlow Mountain is ready to be signed off and payment will come whenever. The BOE requested an extension so that John Mannuzza could go through the submission to the State. Mr. Hendrickson continued, saying that the High School re-imburement could be as long as six months away, near the end of October. East Ridge depends on the change orders. Mr. Heiser said he talked to State Representative John Frey who informed him that the money has been set aside and is safe.

Mr. Ulmer asked where the BOE expected to be in terms of give backs to the Town at the end of the current fiscal year. Mr. Hendrickson responded that the BOE expected to return approximately \$800k, given another ECR payment of \$260k in late May. He expects that the full payment due of \$330k will be reduced. He added that \$200/\$220 is a reasonable figure. Mr. Ulmer said the BOE has historically done some late-in-the-year spending and the Town will need all of the \$800k that it can get.

Mr. Gomez complimented the BOE on its budget and asked how it went about developing it. Ms. Low said that Mr. Marconi and Mr. Heiser indicated in a prior discussion in October that a 2% budget increase would be acceptable. Mr. Redmond said there are assumptions that have been reduced since last October. Mr. Heiser said that apparently the 2% assumption came from him. Ms. McGerald said that the BOE continues to work with the various unions trying to find some middle ground. She said: "We are hopeful." She offered that next year's negotiations will be a very different environment. Mr. Palermo said the BOE has had "lots of meetings" with the unions. He opined that they need to move to a different health care plan. Mr. Hendrickson observed that benefits are increasing more than salaries. Mr. Palermo observed that the Town health care costs appear to be going up faster than the school's health care costs and opined that it may be because of the age of the population. Mr. Ulmer made the following calculation: the benefits line is about 22%/24% of the combination; if 20\$ is going up by 10%, you just got a 2% raise. Mr. Steinhart added that the benefits have probably declined because the insurance companies tweak the plans all the time, but you (Mr. Ulmer) are right, it's 2% more that you don't have to pay. Ms. Low said the premium share paid by the union members will increase to 17%. Ms. McGerald added that the premium share increases about a point a year in the contract. Mr. Ulmer added that the total combination is going up 5%/6% per year while the Town is going up 1% and the grand list is going up 1%.

Mr. Ulmer: "We are in an untenable position over the long term if we don't get a handle on health-care costs."

Union contracts in neighboring towns were discussed.

Ms. Low said the BOE does have something planned for next year. It is looking at a declining student enrollment and is interested in a full-day kindergarten and looking at the K-5 structure. Re-tooling the bus system for the 2009/2010 school year resulted in a half million dollar savings.

Mr. Palermo said the BOE started long-range planning a year ago and formed committees so that it would look at how education is delivered to see if it could do it more efficiently. Mr. Cascella asked if the BOE was talking about closing an elementary school and Ms. Low responded that every option would be looked at.

Mr. Ulmer cited a growing numbers of teachers per student ratio. BOE members noted that a reduced enrollment spread over six elementary schools had little impact on the number of teachers required. He noted there are 5,421 students this year compared to 5,427 in 2003/2004, but there are 46 more teachers and administrators for the same number of students. Ms. McGerald said some of the increased staff is for special education and is mandated by the State. She said the BOE did add some math paraprofessionals which were desperately needed.

Ms. Low bemoaned the fact that when the BOE found savings, it had to put those savings toward lowering the budget rather than using it for something educationally productive.

Mr. Gomez noted the BOE's awareness of the inefficiencies of having six elementary schools and said it is clear where the opportunity lies. He also noted the fact that nobody likes change.

Mr. Gomez turned the discussion to the IT leases. Mr. Steinhart offered they were not really lease payments in that "we own the stuff" it's really a loan from the bank secured by the bank. There is an extra payment this year because one loan/lease has a four year term where the others have three-year terms. Mr. Gomez suggested bidding out the loans. Mr. Steinhart said the interest rates are very low now but he agreed it should be put out to bid.

Mr. Ulmer asked for clarification regarding what teachers are paid for. Ms. Low said they are paid for 187 days. 182 days of instructions, 3 paid development days, and 2 days to prepare for the opening of school. There are no paid vacation days. Teachers are allowed 15 sick days per year and 2 personal days per year that need to be approved by the personnel director.

Mr. Ulmer stated the budget for substitutes is about \$630k per year. He said the OPEB liability has to be recorded. The BOE's OPEB obligation amounts to \$108k and the BOF would like to put that in the BOE's budget. "When we make motions in the next two nights we are going to change that." The Town's OPEB obligation amount to \$58k.

Mr. Gomez asked about the Branchville School boiler replacement in the capital budget. He noted that last year another elementary school claimed it desperately needed a new boiler and, when it was turned down, found a low-cost solution to its boiler problem. It was explained that the other boiler problem was solved by installing a relatively inexpensive domestic hot water system that relieved demand on the boiler. The Branchville problem is not amenable to that solution. Mr. Steinhart noted that the BOE has to find a long-term solution to the High School's energy problem. The High School uses more energy for heat than all other school and town buildings combined.

Mr. Cascella asked if the proposed energy study were specific to the High School and the BOE responded that it was not, but the main focus of the study was the High School.

PARKS AND RECREATION DISCUSSION

Mr. Heiser asked about non-resident fees at the Recreational Center. Mr. Roche responded that it was \$125.00 (soon to be \$130.00) per person premium on top of menu costs. Ms. Dobbin added that, if you are a Ridgefield family, you get family rates, but out of town people do not get family rates. There are 400 non-residents out of 7k memberships. Mr. Roche said that the Rec Center's fee structure is very much like local Jewish community centers in Stamford

and Wilton. "We are a little less than some, a little more than others." Mr. Kearns said everybody is a little nervous now because membership looks as if it is trending down. The Rec center's re-enrollment rate is 58%/59% which is above standard.

Mr. Heiser noted that both Paul Roche and Deborah Low accepted a salary freeze.

Mr. Gomez asked about the Barlow Mt. pool. Mr. Roche said that they have patched the cracks with epoxy and it is holding, ultimately the pool will need new marinate and a new filtration system. It's in the five-year capital plan.

ADJOURNMENT

A motion was made by Mr. Cascella and seconded by Mr. Gomez to adjourn the meeting at 9:55 p.m. Vote: 4-1. Motion **APPROVED**.

Respectfully Submitted,
Karen Rodgers
Recording Secretary