

**APPROVED  
BOARD OF FINANCE MINUTES  
BUDGET DELIBERATIONS MEETING  
THURSDAY, APRIL 8, 2010**

---

A budget deliberations meeting of the Board of Finance was held on Thursday, April 8, 2010 in the lower conference room in Town Hall at 7:30 p.m.

Members Present: Peter Gomez, Chairman, Jill Bornstein, Vice Chairman;  
Marty Heiser; Dave Ulmer; and Margaret Price Sims

Town Officials: Rudy Marconi, First Selectman; Di Masters, Selectman; Kevin Redmond,  
Controller; Deborah Low, Supt. Of Schools; Paul Henricks; BOE  
Business Manager; Amy Shinohara, John Palermo, Richard Steinhart,  
Paul Sutherland, Russell Katz, Board of Education.

---

Mr. Gomez called the meeting to order at 7:30 p.m. and announced the following order of business: 1) Summary of what is before the BOF; a) school budget; b) town budget and c) capital projects budget; 2) Capital Requests; 3) Revenue; 4) BOS budget; and 5) BOE budget; 6) fund balance; and 7) mill rate

Mr. Ulmer summarized the proposed budgets as follows:

Proposed Town Budget: **\$30,941,427.00**, a 3% increase over 2009/2010 budget of  
\$30,040,166.00

Proposed School Budget: **\$78,057,680.00**, a 1.67% increase over 2009/2010 budget of  
\$76,772,441.00

Proposed Capital  
Projects Financing Budget: **\$ 100,000.00**, a 0.00% change from the 2009/2010 budget of  
\$ 100,000.00

Debt Service: **\$13,811,296.00**, a 0.49% decrease under the 2009/2010 budget of  
\$13,879,124.00

There are currently 8,900 residential tax payers (two thirds of whom do not have children in Ridgefield schools) in Ridgefield who provide 83% of tax revenues. There are 340 industrial/commercial enterprises which provide about 10% of tax revenues; motor vehicle taxes provide 4% of tax revenues and personal property about 3%.

## **CAPITAL DISCUSSION**

Mr. Ulmer explained that the capital projects financing would not impact this year's budget, but will impact the following year's budget, when the Town goes out to bond, the little over \$4MM outstanding from 2009/2010 and whatever is added to that this year.

Mr. Ulmer made and Mr. Heiser seconded a motion to approve \$1,328,000.00 in capital projects for the Highway Department.

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

Mr. Heiser made and Ms. Sims seconded a motion delete the following requested capital projects: 1) the outdoor fitness course @ \$20,000.00 with \$10,000.00 in donated matching funds, resulting in a net \$10,000.00 reduction 2) ground maintenance (fence) @ \$16,000.00 and 3) park safety improvements @ \$8,800.00 and approve \$134,300.00 of capital projects for Parks & Recreation Department.

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

Mr. Heiser made and Ms. Sims seconded a motion to approve the capital request of \$163,000.00, less \$81,500.00 in donated matching funds, for a total of \$81,500.00 to resurface the Barlow pool.

VOTE: 4-0-1. Ms. Bornstein abstained. MOTION **APPROVED**.

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the \$45,000.00 capital request for the golf course.

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

Mr. Heiser made and Ms. Bornstein seconded a motion to remove \$470,000.00 for the gas main extension from the Town Engineer's capital request and approve \$231,000.00 (\$105k building repairs; \$70k dual fuel furnace for the Venus building; \$21k engineering projects; and \$35k for tree replacement).

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

Ms. Bornstein said she saw some red flags in this proposal, e.g. the contract; the unfinished energy study; the need for a comprehensive plan; and felt it all needed more work. Mr. Gomez expressed concern about the State's proposed resurfacing of Main Street in May and the restrictions that project imposed on the Town's ability to rip up any part of Main Street to put in the gas line extension and opined that the mid-May to mid-August time frame in 2011 would be more prudent. Mr. Ulmer was skeptical of the estimated savings amounts and payback time frame, based on questionable oil and gas price assumptions. He explained the way the Town does its bonds is we take the \$470k (estimated cost of extending the gas main) and bond that over twenty years. When you divide \$470k by 20 years, it means \$23,500.00 per year in principal

alone will be added to the debt service and pushes the estimated payback out a number of years until the principal is paid down. Mr. Ulmer concluded that there was no need to rush into the project. He noted further that the Venus building (that could be tied into the existing gas main) would have a “nice payback” in the first year if the boilers used natural gas instead of heating oil. Mr. Ulmer recommended that the Town use the Venus building conversion to experiment as to how this (converting from oil to gas) works. Mr. Heiser expressed his reluctance to increase the amount of the Town’s debt, saying “we have hit our credit card pretty hard”.

Mr. Ulmer made and Ms. Sims seconded a motion to approve the Police Department’s capital request of \$53,700.00 for radios, light bars, etc. for bonding; and its \$100,000.00 request for new police cruisers for capital projects financing.

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

Mr. Heiser made and Mr. Gomez seconded a motion to eliminate the Fire Department’s capital request of \$445,000.00 to replace tanker #10 and approve the Fire Department’s capital request of \$93,710.00 for car 2 and air packs.

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

Mr. Gomez made and Mr. Heiser seconded a motion to accept the IT equipment capital request of \$74,300.00 as presented.

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

Mr. Gomez noted that approving the IT equipment capital request was a one-time exception to the BOF’s policy that capital items must last 10+ years. Mr. Ulmer stated that he was reluctant to bond the IT equipment request. He stated that the cost of IT equipment needs to be a line item in the selectmen’s operating budget, or, in the alternative, the equipment should be leased. Ms. Bornstein expressed her agreement. Mr. Redmond suggested the BOF make that point clear in November. Ms. Sims said she views this as a “catch-up” motion and agreed that it needs to be in the operating budget.

Mr. Heiser made and Ms. Sims seconded a motion to approve the BOE’s capital request of \$604,800.00 as presented.

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

<b>PUBLIC WORKS</b>	
Excavator	\$ 90,000.00
Dump Truck	\$ 173,000.00
Truck with Plow	\$ 55,000.00
<b>RECREATION</b>	
Truck with Plow	\$ 70,000.00
Truck with Plow	\$ 40,000.00
Golf Maintenance Equipment Replace	\$ 45,000.00
Greens Mower (\$19,000.)	

Fairway Top Dresser (\$26,000)	
<b>POLICE</b>	
Police Cruisers/Unmarked	\$ 100,000.00
Equipment replacements	\$ 53,700.00
<b>FIRE</b>	
Car 2	\$ 35,000.00
Air Packs	\$ 58,710.00
<b>GENERAL GOVERNMENT</b>	
IT Equipment	\$ 74,300.00
<b>RECREATION</b>	
Recreation Center - Various	\$ 24,300.00
HVAC (\$10300.)	
Exterior Painting (\$14000.)	
Barlow Pool Resurfacing	\$ 163,000.00
Matching Funds	(\$81,500.00)
<b>ENGINEERING</b>	
Building Repairs	\$ 105,000.00
Dual Fuel Furnace	\$ 70,000.00
Engineering Projects	\$ 21,000.00
<b>PUBLIC WORKS</b>	
Drainage/Waterway Work	\$ 150,000.00
Roads/Class Two Overlay	\$ 800,000.00
Mamasasco Lake	\$ 30,000.00
Guardrail Replacements	\$ 30,000.00
<b>TOWN ENGINEER</b>	
Sidewalk Improvement	\$ 150,000.00
State Grant - LOCIP	(\$150,000.00)
<b>TREE WARDEN</b>	
Tree Replacement	\$ 35,000.00
<b>TOTAL</b>	<b>\$ 2,141,510.00</b>
<b>SCHOOL BUILDINGS &amp; EQUIPMENT</b>	
Branchville Elementary School-Heat Plant	\$ 380,000.00
Farmingville Elementary School	\$ 100,000.00
Asbestos Abatement	
School Buildings & Grounds	\$ 34,000.00
Door Replacement & Fencing	
Vehicles & Equipment -	
Truck with Plow	\$ 40,000.00
Tractor	\$ 34,500.00
Ground Maintenance Equipment	\$ 16,300.00
<b>TOTAL</b>	<b>\$ 604,800.00</b>

## REVENUE

Mr. Ulmer made and Ms. Bornstein seconded a motion to approve revenues budgeted at \$12,477,416.00, not including use of fund balance and general property taxes.

VOTE: 5-0. MOTION APPROVED.

Mr. Gomez called for a short recess at 9:05 p.m. Mr. Gomez called the meeting back to order at 9:11 p.m.

## TOWN BUDGET

Mr. Heiser made and Ms. Sims seconded a motion to approve the Board of Selectman's budget as presented at \$30,941,427.00, representing a 3% increases over the prior year's budget, and debt service of \$13,811,296.00

VOTE: 5-0. MOTION APPROVED.

Mr. Heiser called the Town budget "lean". Mr. Ulmer reflected that it had no new positions, only salary increases; that health benefits provided a "positive surprise"; and there was a break on the amount of pension funding requested because the Town received a settlement from the subprime melt down; and "everything else is flat, the numbers really could not come down". Mr. Ulmer did note that the Fire Department's budget is up 10% due to the declining grant that funds four new fire fighters over a four-year period. Ms. Bornstein opined that the snow-removal budget needs to be adequately funded and, at the current level of funding, leaves the Town at risk if State money goes away. Ms. Sims agreed that it was a "very lean budget with no wiggle room". Mr. Heiser said the Fire Department grant should be a lesson learned in that it is very nice for the first four years, but the Town eventually has to pay the whole bill on its own.

## BOARD OF EDUCATION BUDGET

Mr. Heiser summarized the public input from the April 5, 2010 public hearing.

Mr. Gomez said he was trying to frame the BOF's deliberations in the form of a three-year budget period, and expressed his thanks to both the BOS and the BOE for putting forth their best efforts to provide three-year budget projections. He said he sees some real threats to the Town's revenue stream. He said there was a lot of emphasis given to understand the three-year forecast and what projects are in the pipeline that, potentially, will bring greater savings and efficiencies such as the energy study and a school closing. Mr. Gomez stressed the importance interaction and communication among the BOS, BOF, and BOE.

Mr. Ulmer said he agreed with what Mr. Gomez said. He noted the 1.67% proposed school budget for 2010/2011 and the 1% in the current fiscal year. He said the new initiative (full-day kindergarten) in the 2010/2011 school budget has been fully vetted and does not need to be further discussed now. He congratulated the BOE, saying "I think you have done a great job" and "it is a tribute to our teachers". He expressed his personal opinion that full-day kindergarten is "very much needed".

Mr. Bornstein noted that the budgets presented were very transparent and the BOE went out of its way to explain nuances of its budget. She referred to 1%/3% budget increases as “the new norm”; and continued saying that the challenge will be what happens next year when the budget goes up 3.7% with just organic growth.

Ms. Sims said she has grown more confident in what the BOE presented in terms of the Health Savings Account plan, and commended the BOE on something that could possibly be a new trend in other school districts. She said sustainability and communication should be our goal, realizing that we can not have huge increases in coming years.

Mr. Heiser said that everybody has to learn how to effectively downsize; that there are tough decisions going forward.

Mr. Ulmer stated that the BOE’s budget was a lot more transparent that it has been in the past; he cited the HSA migration rate assumptions and the teacher turn-over rate. He opined that some of the BOE’s estimates were “very conservative” and needed a “healthier look”.

Ms. Bornstein questioned the ECR (educational cost reimbursement) rate assumption of 70%, saying that, historically, the reimbursement has not been less than 74%. She opined that “while conservative is good, overly conservative is bad”. At 75% the reimbursement rate would add \$175k to the BOE’s revenues.

Mr. Gomez agreed with Ms. Bornstein saying he would be more comfortable budgeting the reimbursement rate at 74%/75%. He opined that the State would bring back toll roads before it would cut special education.

Mr. Ulmer noted that ECR is an extremely volatile area of special education. Speaking to the BOE he said the BOF does not want to indicate that the BOE would have to make up any ECR shortfall from within its operating budget. He indicated the BOF would look favorably on using money from the General Fund, if needed, to bring the BOE back to whole in the special education area. Saying we will always have this issue, the idea is to bring down the volatility. “The last thing we want is to pay for it from general education funds.”

Ms. Bornstein: “This is a number that we also know before the end of the year, so we can react before you get to June.”

Mr. Gomez made and Mr. Heiser seconded a motion to remove \$250,000.00 from the Board of Education’s requested budget of \$78,057,680 thereby reducing it to \$77,807,680.00, representing an increase of 1.35% over the prior year’s budget.

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

REVENUES	
General Property Taxes	\$ 109,732,987.00
Prior Year Taxes & Supplements	\$ 1,175,000.00
Interest & Lien Fees	\$ 350,000.00

Intergovernmental	\$ 2,992,395.00
Licenses & Permits	\$ 473,000.00
Charges for Services	\$ 6,828,081.00
Revenue from Investments	\$ 100,000.00
Fines-Forfeitures-Penalties	\$ 54,000.00
Operating Transfers	\$ 404,940.00
Other Revenues	\$ 100,000.00
Use of Fund Balance	\$ 450,000.00
	\$ 122,660,403.00
<b>EXPENDITURES</b>	
Town Budget	\$ 30,941,427.00
School Budget	\$ 77,807,680.00
Capital Projects Financing	\$ 100,000.00
Debt Service	\$ 13,811,296.00
Total Expenditures (+1.55%)	\$ 122,660,403.00

### **FUND BALANCE**

Mr. Heiser made and Ms. Sims seconded a motion to designate \$450,000.00 of the fund balance for the 2010/2011 fiscal year's budget.

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

Beginning Fund Balance	\$ 8,861,306.00
Less 6/30/09 designated (encumbered)	\$ (1,000,000.00)
Potential Surplus - FYE 2008/2009	\$ 900,000.00
Ending Fund Balance	\$ 8,761,306.00
Reserved for Encumbrances 6/30/10	\$ (450,000.00)
Unreserved Undesignated Fund Balance	\$ 8,311,306.00
as Percent of Expenditures	6.78%

The following were approved by the Board of Finance to be recommended to the voters: Town Budget of \$30,941,427.00

School Operations Budget of \$77,807,680.

Capital Project Financing of \$100,000.00

Debt Service Budget of \$13,811,296.00

Which would translate to a 20.4 mill rate representing a 1.97% tax increase.

ADJOURNMENT

A motion was made by Ms Sims and seconded by Mr. Heiser to adjourn the meeting at 10.23 a.m.

VOTE: 5-0. MOTION APPROVED.

Respectfully Submitted,  
Karen Rodgers  
Recording Secretary