

**APPROVED  
MINUTES FOR THE BOARD OF FINANCE REGULAR MEETING  
TUESDAY, SEPTEMBER 15, 2009**

A regular meeting of the Board of Finance was held on Tuesday, September 15, 2009 in the conference room in Town Hall at 7:30 p.m.

Members Present: Marty Heiser, (arrived 7:40 p.m.) Chairman; Peter Gomez, Vice Chairman Kevin Walsh; David Ulmer;  
 Members Absent: Robert Cascella  
 Town Officials: Rudy Marconi, First Selectman; Kevin Redmond, Controller; John Mannuzza, Asst. Controller; Jane Berendsen-Hill, Tax Collector; Charlie Fisher, Town Engineer

**A G E N D A**

1. Approval of Prior Meeting Minutes
2. Tax Collector's Report
3. Treasurer's Report/Discussion
4. Controllers Report:
  - a. FYE 2009 Financials
  - b. August 2010 Financials
5. Three Year Estimate
6. Water Main Extension
7. Property Lease Analysis
8. Old Business
  - a. New Business
  - b. Communications & Correspondence
9. Adjournment

Mr. Gomez called the meeting to order at 7:32 p.m.

**APPROVAL OF PRIOR MEETINGS' MINUTES**

A motion was made by Mr. Ulmer and seconded by Mr. Walsh to approve the Minutes of the Board of Finance meeting of July 20, 2009 with corrections.

Vote: 3-0. Motion **APPROVED**.

**TAX COLLECTOR'S REPORT**

Mr. Heiser asked Mr. Redmond about the cash-flow analysis and Mr. Redmond responded that it had yet to be started. He said: "I know it is a high priority, but it won't be next meeting." Referring to the Tax Collector's report, Mr. Heiser asked rhetorically: "Have you ever seen interest rates so low?"

Tax Collector's Report

Fiscal Year Ending June 30, 2010

Prior YTD

(in millions)	Budget	July	August	Y-T-D	% Cltd	% of Actl
Current Taxes	\$ 107.2	\$ 27.2	\$ 3.5	\$ 30.7	28.60%	28.32%
Supplemental MV	0.8				0.00%	0.00%
Prior Year Collections	0.5	0.2	0.1	0.3	61.38%	27.32%
Interest & Lien Fees	0.3	0.1	0.0	0.1	43.71%	14.18%
As of February 28, 2009	\$ 108.8	\$ 27.5	\$ 3.6	\$ 31.1	28.60%	28.27%

Mrs. B-H reported that tax collections were good and things were much better than last year for the first two months. She said there is a smaller gap between the rate book (all taxes billed) and the total collectibles this

year. “The budget was higher than my collectibles last year. It is tighter this year except I have a little advantage collecting back taxes by means of tax sales.” She said there were a number of properties that did not get included in the tax sales because the property owners paid their delinquent taxes.

**TREASURER’S REPORT**

Investments as of 9/15/09

Ridgefield Bank	\$ 6,143,924.18	0.22
STIF	\$ 281,570.32	0.43
Union Savings	\$ 1,511,848.13	0.43
Union Savings CD	\$ 4,000,000.00	0.80
Wachovia	<u>\$ 1,356,522.49</u>	0.40
	\$ 13,293,865.12	
YTD Interest Earned:		
Ridgefield Bank	\$ 6,567.43	
STIF	\$ 285.31	
Union Savings	\$ 871.91	
Wachovia	<u>\$ 525.54</u>	
	<b>\$ 8,250.19</b>	

**WATER MAIN EXTENSION**

Mr. Marconi and Mr. Fisher led the discussion regarding the government stimulus money obtained by the Town to extend the water main (1.1 miles) to address the water problems at Barlow Mountain and Scotland Elementary Schools. They came prepared with a comparative cost analysis of three options: 1) extend the water main; 2) reverse osmosis; and 3) drill wells. The Town had previously considered drilling new wells in hopes of finding uncontaminated water, but abandoned that project (which was a less-expensive option) when the government stimulus money to extend the water main became available.

Mr. Heiser asked if there would be “complications” if a developer came along and wanted to tie into the water main. Mr. Marconi responded that the water company (Aquarian) would not allow any connections of that type. Adjacent and abutting properties, single-family houses, can hook into the line, but they will have to pay the up-front costs of doing so.

The Ridgefield Fire Chief wants to put fire hydrants all along the water line, but until the pressure in the line is increased, Aquarian will not allow any fire suppression service either.

Federal money comprises 56.5% of the total cost of the project. Mr. Marconi explained that the Town has to fund the full amount of the project and then the amount of the ARRA money is forgiven. That eliminates a tremendous amount of paper work. The interest rate is approximately 2%.

Mr. Heiser reiterated: Total cost of the project is \$1.38MM of which \$700k will come from the government. Ridgefield will borrow/bond the balance at a very low interest rate.

Mr. Marconi said that engineers have studied the on-site wells, and determine the annual carrying costs of the various alternatives. Most important – eliminate the cost of having the water company over see. Charlie Fisher: Aquarian will have the line and will have to fix any problems on the water line. We will be taxing them on the value of the water line.

Mr. Heiser asked about the possibility that chlorine from the Barlow pool contaminated the wells.

Mr. Fisher explained that chlorine is a gas; chloride is a solid.

Mr. Walsh expressed concern about the lack of fire hydrants.

Charlie Fisher said they are leaving branches for future hydrant connections so they will not have to replace the line or dig up the road again.

Mr. Marconi said there are two 10,000 gallon storage tanks at the Barlow site which can be converted to a cistern at a cost of \$20k per cistern.

Mr. Heiser noted that the Town has had problems with cisterns in the recent past. Mr. Marconi said the Town has remediated those problems.

Mr. Gomez said the Board of Finance has approved funding for test drilling wells at Barlow and asked if that option was still viable and, if not, why not.

Mr. Marconi responded that the \$700,000.00 in government stimulus money is what made the water-main extension the preferable alternative. Mr. Fisher added that whereas wells offered the lowest initial outlay, but the water main extension offered the lowest maintenance costs over time. The Town would have to pay Aquarian to operate and maintain a well. Mr. Marconi added that there is no way to know if the chlorides might begin to migrate and contaminate any new wells.

Mr. Fisher said he does not anticipate having to pay for special police duty during the extension of the water main. All the roads affected are Town roads. Stimulus money is for “shovel ready” projects and this fits that description to a “T”. The water main extension project meets all the government criteria. He said he would like to see construction of the water main extension begin sometime in 2009.

Mr. Gomez: “As this is a capital project, where it appears in the budget is relevant.”

Mr. Marconi: “If we were planning the budget now, it would be up to the Board of Finance. You could put it in the schools’.”

Mr. Heiser: “We have to have a Town meeting to approve this and the bonding issue, borrowing money at 2%; and have a \$700k check handed to you.

Mr. Ulmer: We already have \$300k approved for bottled water.

Mr. Marconi: “I would look to approve the entire amount. It’s like LOSIP money in that they need the paperwork for the authority to bond it.”

Mr. Gomez: “I am concerned about where it goes on the ledger.”

Mr. Marconi: “It has been on the Town side of the ledger so far.”

Mr. Ulmer: “Once it goes to bond, there is no ledger.”

Mr. Redmond: “This would be just like purchasing a dump truck.”

The BOF discussed the current cost in the BOE budget for bottled water and what the cost savings would be between that and the carrying costs for the water-main extension.

RESOLVED, That the First Selectman, Rudy Marconi, be and hereby is authorized to execute and file applications, contracts, and agreements on behalf of the Town of Ridgefield with the Commissioner of Environmental Protection for state grants and loans in the amount of \$1,450,000.00 pursuant to the provision of Section 22a-475 through 483 of the Connecticut General Statutes, as amended, and to execute on behalf of

the Town of Ridgefield all the applications, instruments, contracts, and documents and accept payments and do all other things that may be necessary for state grants and loans for the Scotland-Barlow Mountain Elementary Schools water main extension State of Connecticut Drinking Water State Revolving Fund application.

Vote: 4-0. Resolution **APPROVED**.

Mr. Walsh asked Mr. Fisher if there were any questions not asked that should have been. Mr. Fisher responded that he had expected the BOF to be concerned about the money and to ask about the different options. He said that he and Mr. Marconi were convinced that the extension of the water main was the best option available. Mr. Marconi added that the most important thing was the stimulus money. Mr. Heiser added that the decision to extend the water main was now subject to a town meeting.

### **CONTROLLER'S REPORT**

Mr. Redmond presented the BOF with a preliminary budget reconciliation for the fiscal year ended June 30, 2009 showing revenues under budget by \$2,747,278 and total expenditures under budget by \$2,342,338, with a deficit of \$404,940; budgeted use of fund balance of \$1,250,000; resulting in "favorable to budget of \$845,060.

### **THREE YEAR ESTIMATE** (Budget and Two-Year Plan)

Mr. Redmond informed the BOF that he, Mr. Marconi, First Selectman; Mr. Garzi, Tax Assessor; Ms. Berendsen-Hill, Tax Collector; Parks & Recreation; and Ms. Kiernan, Town Treasurer, meet monthly to discuss the revenue forecast. Mr. Redmond said the forecasts are "high-level, broad-brush estimates". The BOF questioned some of the amounts presented. Mr. Redmond and Mr. Marconi explained the reasons behind the assumptions and reminded the BOF that there are a lot of assumptions that could change and the amounts presented were all subject to change. Mr. Gomez observed that a 1% increase in revenues doesn't even begin to make a dent in the increased costs. Mr. Heiser asked if the hiring freeze was still in place and Mr. Marconi responded that it was except for any "unique position" that became open. Mr. Heiser made note of the increased number of staff-to-students ratio. Mr. Ulmer observed that, to keep taxes flat both the BOE and Selectman's budgets would have to have zero percent increases.

On the expense side of the budget, Mr. Redmond said there were three main drivers: 1) salary increases; 2) medical insurance; and 3) pensions. Mr. Ulmer opined that if savings could not be found in new contract agreements, head count would have to be reduced. Mr. Heiser asked about health savings accounts. Mr. Marconi said his office was investigating that option. Mr. Ulmer asked if new hires had defined contribution post-employment benefits. Mr. Marconi said the Town is doing that at the Fire Department.

Mr. Redmond said heating oil is currently selling at  $\pm$  \$50.00 per barrel. The Town has contracted for fuel at \$2.24 per gallon, the schools at \$2.19 per gallon. Mr. Marconi stated that Town Hall is converting to natural gas; East Ridge has dual burners that can use either oil or natural gas.

Mr. Gomez asked about police cars which he noted included a Nissan Altima. Mr. Ulmer said the BOF should think about taking the police cars out of capital financing and putting them in the budget. Mr. Marconi reminded that the BOF dictates the manner in which the budget is presented.

Mr. Redmond said he will have a problem presenting "fully-loaded" amounts by department and suggested a supplemental schedule.

### **PROPERTY LEASE ANALYSIS**

Mr. Redmond presented a Town of Ridgefield Property Lease Analysis as of August 31, 2009 detailing location; Lessee; Lease Term; Square Footage; Rate per Square Foot; Annual Rent; Common Area

Maintenance per Square Foot; and Total Rent and Common Area Maintenance. In most instances the square footage was not available, nor was the resulting rate of rent and common area maintenance per square foot.

### **OLD BUSINESS**

Mr. Gomez asked if there were any news on the Federal Aviation Administration's decision to alter flight paths that would bring air traffic lower over some Fairfield County towns. Mr. Marconi said that the Third Circuit Court in Washington, DC has ruled in favor of the FAA, and the State of Connecticut has submitted a brief to the U.S. Supreme Court accusing the FAA of breaking the law in that it did not notify the State of Connecticut as required.

Mr. Walsh asked about the time frame in which the Town pays its vendors. Mr. Redmond estimated that the Town pays within a forty-five day time frame. Mr. Redmond said he did not know "what drives the insurance payments" and speculated that it could be a discount.

### **NEW BUSINESS**

The BOF discussed an invitation from the Ridgefield Library's board of directors to sit on the Library's building renovation committee. Mr. Gomez expressed the BOF's perspective saying it would be inappropriate for a member of the BOF to sit on such a committee. Mr. Ulmer echoed Mr.'s Gomez opinion and added that members of the BOF could occasionally attend such a meeting and ask questions and the Library's committee could come to the BOF meetings for updates and exchanges, but no BOF member should sit on the Library's committee as it would give the appearance of a conflict of interest. Mr. Heiser said that Mr. Cascella has expressed interest in the Library's building renovation committee.

John McNichols, Chairman of the Charter Revision Commission, came before the BOF to request that a member of the BOF attend the Charter Revision Commission's meeting on October 7, 2009 at 7:30 p.m. to express any concerns the BOF might have with the current Town Charter and bring forward the BOF's ideas and recommendations. Mr. Marconi said the Charter Revision Commission has discussed the Town Treasurer position and said the BOF might want to think about that issue.

### **COMMUNICATIONS & CORRESPONDENCE**

### **ADJOURNMENT**

A motion was made by Mr. Gomez and seconded by Mr. Walsh to adjourn the meeting at 9:45 p.m.

Vote: 4-0. Motion **APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary