

APPROVED
MINUTES FOR THE BOARD OF FINANCE REGULAR MEETING
TUESDAY, MAY 18, 2010

A regular meeting of the Board of Finance was held on Tuesday, May 18, 2010 in the Town Hall Conference Room at 7:30 p.m.

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

Town Officials: Kevin Redmond, Controller; Jane Berendsen-Hill, Tax Collector

Guests: Paul Hendricks, BOE Business Director; Amy Shinohara, Board of Education Member

A G E N D A

1. Approval of Prior Meeting Minutes (3/31/10; 4/1/10; 4/5/10; 4/6/10; 4/7/10; 4/8/10; and 5/11/10)
2. Tax Collector's Report
 - a. April 2010 Report
 - b. Transfer Uncollectable to Suspense
3. Treasurer's Report
4. BOE Year To Date Financial Review
5. Controllers Report:
 - a. April 2010 Financial Review
 - b. 10 + 2 Forecast / Surplus Projection
 - c. Cash Flow Review
6. Old Business
 - a. New Business
 - b. Communications & Correspondence
7. Adjournment

Ms. Bornstein called the meeting to order at 7:30 p.m.

APPROVAL OF PRIOR MEETINGS' MINUTES

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the March 31, 2010 minutes of the Board of Finance Meeting.

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

Mr. Ulmer made and Mr. Heiser seconded a motion to approve the April 1, 2010 minutes of the Board of Finance Meeting.

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

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the April 5, 2010 minutes of the Board of Finance Meeting.

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

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the April 6, 2010 minutes of the Board of Finance Meeting.

VOTE: 3-0. Motion APPROVED.

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the April 7, 2010 minutes of the Board of Finance Meeting.

VOTE: 3-0. Motion APPROVED.

Mr. Ulmer made and Mr. Heiser seconded a motion to approve the April 8, 2010 minutes of the Board of Finance Meeting.

VOTE: 3-0. Motion APPROVED.

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the May 11, 2010 minutes of the Board of Finance Meeting.

VOTE: 3-0. Motion APPROVED.

TAX COLLECTOR'S REPORT

Tax Collector's Report

Fiscal Year Ending June 30, 2010

Prior YTD

(in millions)	Budget	Q1	Q2	Q3	April	Y-T-D	% Cltd	% of Actl
Current Taxes	\$ 107.2	\$ 32.3	\$ 27.8	\$23.2	\$ 20.5	\$ 103.8	96.83%	97.29%
Supplemental MV	0.6	0.0	0.1	0.3	0.0	0.5	75.84%	98.97%
Prior Year Collections	0.6	0.6	0.3	0.2	0.1	1.2	211.15%	75.40%
Interest & Lien Fees	0.3	0.4	0.1	0.1	0.0	0.6	184.68%	67.06%
As of April 30, 2010	\$ 108.7	\$ 33.3	\$ 28.4	\$23.7	\$ 20.6	\$ 106.0	97.55%	97.03%

Ms. Berendsen-Hill stated that the month of April turned out "okay", making up a little ground but still lagging a bit behind at the end of the month. So far the month of May looks better "so I am feeling optimistic" with the forecast given to Kevin Redmond. At the end of the fiscal year Ms. Berendsen-Hill will have beaten her budgeted revenue amount by \$700k because of the tax sales she initiated. Mr. Redmond said he put \$740k in the forecast because Ms. Berendsen-Hill's estimates are always conservative.

Mr. Heiser asked about the number of foreclosures and bankruptcy filings. Ms. Berendsen-Hill opined that there will be more foreclosures coming because the more affluent people have now gone through their savings.

Ms. Berendsen-Hill presented the Proposed List of Outstanding Bills to be Transferred to Suspense, almost all of which is comprised of unpaid personal property and motor vehicle tax bills for the 2005 grand list. The list also contained \$18,647.08 of uncollectible taxes on a property sold at a tax sale which is not a buildable lot. The Town did collect \$12,000.00 at the tax sale.

Mr. Heiser asked about Singular Wireless. Ms. Berendsen-Hill said that Connecticut State law no longer allows municipalities to bill them directly. The Town gets paid under intergovernmental revenue. "It's another case where we get less than we would have otherwise."

Mr. Ulmer asked if anyone listed on the suspense list continues to be delinquent from the 2005 grand list. Ms. Berendsen-Hill responded by saying: "... if a business goes out, the Tax Assessor will continue to keep it on the rolls. Most people walk away, the business entity no longer exists and the individuals do not have any personal liability for the taxes.

Mr. Heiser made and Mr. Ulmer seconded a motion to move the proposed names on the list that Ms. Berendsen-Hill presented to the Suspense list.

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

TREASURER’S REPORT/DISCUSSION

Investments as of		
4/30/10		
Ridgefield Bank	\$14,338,359.00	.37
STIF	\$ 1,031,263.43	.26
Union Savings	\$ 222,432.21	.27
Union Savings CD	\$ 2,000,000.00	.6
Union Savings	\$ 3,604,810.67	.65
Wachovia	\$ 3,609,668.76	.4
	\$24,806,534.07	
YTD Interest Earned as of 4/30/10		
Ridgefield Bank	\$ 23,820.72	
STIF	\$ 1,173.81	
Union Savings	\$ 13,964.24	
Wachovia	\$ 2,089.36	
	\$ 41,048.13	

CONTROLLER’S REPORT

Mr. Redmond noted that, were in not for the \$700k additional revenue brought in by the Tax Collector, “we would be in trouble, as we have taken a hit on other revenues”. Intergovernmental revenues are down. Building Department revenues are down. The sale of Cops Hill definitely helped with the resulting conveyance tax revenue. The new ambulance billing-service provider is not quite up to speed on all the procedures, which could result in revenue not being realized until after June 30, 2010. Mr. Redmond said he anticipates revenues to be \$344k above budget. On the expense side, Mr. Redmond said he has identified all the accounts that will run under budget and now projects a \$617k/\$618k surplus.

Ms. Bornstein asked for Parks & Recreation’s net number and was told it would be short \$156k and there was no way that could be made up at this point in time.

Mr. Redmond said that snow removal costs will run well over budget, but “we have the ability to pull the money out of Town Road Aid (\$175k).” He noted that the amount allocated to snow removal in the operating budget needs to be increased substantially.

Mr. Redmond said the budget position was close to not having to use anything from the Fund Balance although the ambulance revenue could be a problem.

Mr. Redmond said his forecast contained no “fluff”. He called the forecast a “true” forecast that could go either way, there was no sand bagging.

Ms. Bornstein brought up the subject of unfunded workers compensation costs, which led to a discussion of the vagaries of the self-insurance program and Mr. Redmond opining that Ridgefield may have some liability in what he referred to as a “screw up”. Mr. Ulmer asked who Ridgefield is on the hook with and Mr. Redmond

responded that sixty (60) Connecticut Towns are involved. After further discussion and nothing definitive, Ms. Bornstein asked to have the matter place on the agenda for the June meeting.

CASH FLOW – Mr. Redmond said that Ms. Berendsen-Hill compiled the necessary information for him that shows \$7.5MM cash on hand at the end of June 2010. Ms. Bornstein asked if the Treasurer was making use of the cash-flow analysis. Mr. Redmond said he would send it to her. He opined that \$10MM could probably be locked down for a least six months in 2011. He said the cash-flow analysis is improving each time he drills down on it a little more. Mr. Ulmer noted that the Board of Education is two thirds of the analysis. Mr. Redmond said the cash-flow analysis was based on, among other things, the assumption that the Town will bond in September and get back the capital that has been advance funded.

Mr. Heiser said the cash-flow analysis was “very, very, good” and he really appreciated the amount of time/work it took to create it. Mr. Ulmer echoed Mr. Heiser and asked if Mr. Redmond was working with bond counsel. Mr. Redmond said that the opportunity to refund existing bonds is not there at this point in time.

BOE Year To Date Financial Review – Mr. Heiser congratulated Mr. Hendricks and Ms. Shinohara on the passing of the BOE’s budget, calling it a “modest” increase.

Mr. Hendricks informed the BOF that, as of the end of March, the BOE budget has \$114k favorable variance, and the \$100k promised to the Town is encumbered. Since the end of March, the BOE has had one additional outplacement for a special education student which will cost \$15.5k until year end. Mr. Hendricks said that he reviews all budget requests and only buys essentials. He anticipates receipt of \$160k from the State but “I don’t believe it until I see it”. Mr. Redmond reminded all that he has deficits in the school project accounts that need to be paid back before any State reimbursements go anywhere else. He said the State reimbursements cannot be looked at by school, they go to the general ledger; all the school projects together are about \$500k in deficit.

Ms. Bornstein asked for an update on the number of teachers who have converted to the HSA. John Palermo, Board of Education, said the first sixty (60) people are in the HSA.

Regarding the BOE’s energy study, Mr. Hendricks said the BOE has selected a vendor and is finalizing the contract.

The Ridgefield Press’s editorial favoring closing an elementary school was discussed briefly.

OLD BUSINESS

Mr. Heiser opined that this year’s budget process went well. “If everyone is a little unhappy, you have done your job.”

NEW BUSINESS

Mr. Redmond said the Town is in the middle of rolling out the new purchase order software and is now looking to go to the Munis 7.4 software and then the Munis 8 next year and then it will be “up to speed”.

Mr. Ulmer talked about the value of setting a policy regarding parameters for capital budget items. Mr. Redmond opined that, unless there is some edict from the BOF, non-capital budget items will continue to be placed in the capital budget.

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to adjourn the meeting at 9:03 p.m.
Vote: 3-0. Motion APPROVED.

Respectfully submitted,
Karen Rodgers, Recording Secretary