

APPROVED
MINUTES FOR THE BOARD OF FINANCE REGULAR MEETING
TUESDAY, MARCH 16, 2010

A regular meeting of the Board of Finance was held on Tuesday, March 16, 2010 in the Town Hall Conference Room at 7:30 p.m.

Members Present: Peter Gomez, Chairman; Jill Bornstein, Vice Chairman; Marty Heiser; David Ulmer; and Margaret Price Sims
Town Officials: Kevin Redmond, Controller; Al Garzi, Assessor; Jane Berendsen-Hill, Tax Collector Paul Hendrickson, BOE Business Director
Guests: Peter T. Coffin, Chairman, Ridgefield Library Board of Directors; Lauren J. Dowling; Philip H. Lodewick and William G. Wyman, Directors, Ridgefield Library

A G E N D A

1. Approval of Prior Meeting Minutes (1-19-2010; 2-16-2010; and 2-24-2010)
2. Assessor's Update on Grand List
3. Tax Collector's Report
4. Treasurer's Report
5. Library Expansion Discussion – Peter T. Coffin, Philip H. Lodewick, William G. Wyman and Lauren J. Dowling
6. BOE Year To Date Financial Review
7. Controllers Report:
 - a. February Financial Review
 - b. Fund Balance Roll forward
8. Old Business
 - a. New Business
 - b. Communications & Correspondence
9. Adjournment

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

APPROVAL OF PRIOR MEETINGS' MINUTES

Mr. Heiser made and Mr. Gomez seconded a motion to approve the January 19, 2010 Board of Finance minutes.

Vote: 3-0-2 (Mr. Ulmer and Ms. Sims abstained). Motion: **APPROVED**.

Mr. Gomez made and Ms. Bornstein seconded a motion to approve the February 16, 2010 Board of Finance minutes, after making corrections on pages two and seven.

Vote: 5-0. Motion **APPROVED**.

Mr. Heiser made and Ms. Bornstein seconded a motion to approve the February 24, 2010 Board of Finance minutes for a special meeting after making one correction on page one.

Vote: 5-0. Motion **APPROVED**.

ASSESSOR'S UPDATE ON THE GRAND LIST

Prior to the meeting, Mr. Garzi provided BOF members with detailed breakdowns of the grand list for the past four years, with a summary as follows:

	2009	2008	2007	2006
Real Property	\$ 5,218,110,206.00	\$ 5,167,975,343.00	\$ 5,098,295,816.00	\$ 3,873,447,423.00
Reg. Motor Vehicles	\$ 219,232,280.00	\$ 219,010,023.00	\$ 229,389,486.00	\$ 224,788,596.00
Personal Property	\$ 152,475,230.00	\$ 144,204,341.00	\$ 144,313,418.00	\$ 148,590,994.00
Gross Grand List	\$ 5,589,817,716.00	\$ 5,531,189,707.00	\$ 5,471,998,720.00	\$ 4,246,827,013.00
Exemptions	\$ (72,982,771.00)	\$ (38,220,837.00)	\$ (33,258,078.00)	\$ (34,076,200.00)
Net Grand List	\$ 5,516,834,945.00	\$ 5,492,968,870.00	\$ 5,438,740,642.00	\$ 4,212,750,813.00

Mr. Garzi focused his initial comments on the tax abatement agreement with Boehringer Ingelheim (hereinafter "BI") that becomes effective on real and personal property once a certificate of occupancy is issued on a new building, and continues for seven years thereafter, and the effect the abatements have on the net grand list. To date BI has completed three projects: 1) child care facility, where the abatement began in 2006; 2) utility relocation, where the abatement began in 2008; and 3) building #10, where the abatement starts this year. BI has three more building planned: 1) safety building; 2) Bavarian building; and 3) a third building.

Mr. Garzi explained that, because of State Statutes regarding depreciation, the motor vehicle grand list has to increase at least ten percent for the Town to break even year to year. He also explained that if you buy a car after October 2nd and before July 31st, you enjoy two tax free months of ownership because August and September car purchases are not added to the supplemental motor vehicle list.

Mr. Garzi said that forecasting personal property taxes is always a challenge because you never know what companies are going to purchase. That said he opined that a half of one percent increase was not a bad projections for next year.

The last re-evaluation was in 2007, and the next re-evaluation is scheduled to take place in October 2012.

Mr. Heiser asked about the tax status of the Bennetts Pond southern parcel, and Mr. Garzi said that it is taxed as vacant land . The northern parcel of Bennetts Pond is tax exempt. The State pays Ridgefield \$.25/\$.35 on the assessed dollar. The Federal government does not pay anything.

Mr. Gomez asked about the status of the Toll Brothers condominium project. Mr. Garzi said it is almost completely sold out with only two units left. He reported that building permit activity has picked up with a few big building projects.

Mr. Gomez asked what the loss in the FMV of local residential real estate has been, and Mr. Garzi responded 25%/30% in Ridgefield, more in lower Fairfield County. The current rule of thumb is 1% per month has a negative adjustment to FMV which makes assessments that started out at 70% of FMV now worth 85% of FMV.

A gentleman in the audience asked about what he considered questionable tax exemptions and adjustments and Mr. Garzi stated that these represent a \$50k/\$75k revenue loss and should probably be looked at during the next re-evaluation.

TAX COLLECTOR’S REPORT

Fiscal Year Ending 6/30/2010								Prior YTD
TAX COLLECTOR'S REPORT (\$ in millions)							%	as %
	BUDGET	Q1	Q2	January	February	Y-T-D	Clctd	of Actual
Current Taxes	\$ 107.2	\$ 32.3	\$ 27.8	\$ 19.2	\$ 2.2	\$ 81.5	76.06%	76.43%
Supplemental MV	\$ 0.6	\$ -	\$ 0.1	\$ 0.3	\$ -	\$ 0.4	73.20%	95.85
Prior Year Clctns	\$ 0.6	\$ 0.6	\$ 0.3	\$ 0.1	\$ -	\$ 1.0	188.61%	70.64%
Int. & Lien Fees	\$ 0.3	\$ 0.4	\$ 0.1	\$ -	\$ -	\$ 0.6	187.69%	58.37%
As of 2/28/10	\$ 108.7	\$ 33.4	\$ 28.4	\$ 19.6	\$ 2.2	\$ 83.6	76.94%	76.33%

Ms. BH noted that the number of foreclosed properties has increased. She said she is seeing current-year tax collections off “a bit, not a lot, but some”. Supplemental motor vehicle is “way off” because the billing was way off. The tax office billed out \$512k. The budget was \$650k.

Ms. BH reported that she sold three houses in tax sales and that all three of them were redeemed by the former owners and the Town received the taxes plus interest owed. Two of the three home redemptions were the result of reverse mortgages.

TREASURER’S REPORT/DISCUSSION

Investments as of February 28, 2010

Ridgefield Bank – Munic MMA	\$ 1,815,586.40	\$ 0.28
STIF - Pooled short term inv. Fund	\$ 1,687,326.99	\$ 0.28
Union Savings Municipal MMA	\$ 2,222,225.72	\$ 0.24
Union Savings CD- 3-9-10 maturity	\$ 2,000,000.00	\$ 0.50
Union Savings - MunMMA Sweep	\$ 8,000,000.00	\$ 0.75
Wachovia – Mun MMA	\$ 3,240,111.86	\$ 0.40
	\$18,965,250.97	
YTD Interest Earned as of 2/28/10		
Ridgefield Bank	\$ 22,341.65	
STIF	\$ 1,123.42	
Union Savings	\$ 11,799.89	
Wachovia	\$ 1,911.40	
	\$ 37,176.36	

The BOF noted the increased information in the report by way of the type of account in each bank. Mr. Gomez asked Mr. Redmond for an up-dated cash flow analysis.

LIBRARY EXPANSION DISCUSSION

Peter T. Coffin, Chairman, Ridgefield Library Board of Directors; Lauren J. Dowling; Philip H. Lodewick and William G. Wyman, Directors, Ridgefield Library

Mr. Lodewick made a short presentation, leading the BOF through a print out of a power point presentation that he did not share with the recording secretary so there is scant information about it in these minutes.

Mr. Wyman explained that the Library Board is not asking the Town for any specific amount of money at this point in time, but sharing its library-expansion vision and status. The Library Board has re-thought the plan it presented to the BOF last year and designed a layout with improved lines of sight that would not require additional staff to supervise and, therefore, not additional operating costs. The new building is designed to be a “green” building. The new plan contemplates keeping the Morris Building and demolishing everything else. The Library Board would like to keep parts of the Library’s collection available to the public during construction, but has not yet worked out the how or where, and open the newly renovated Library in November 2012.

The Library is the most-used building in Ridgefield, with 5% of the population in there every day. It currently has no sprinklers, no study room, and is not ADA compliant. In order to add anything (book, CD, etc) to the Library’s collection, something comparable must be removed.

Mr. Heiser noted that that the current library has major-maintenance needs.

Ms. Bornstein asked if there were any provisions for new revenue sources, e.g. charging for meeting space that incorporates IT and tutoring rooms.

Mr. Gomez explained why the BOF declined to have one of its members sit on the Library’s building committee. He said it was not reflecting of whether the BOF was for or against the project, but that it went against precedent and could be misinterpreted by the public. Mr. Gomez went on to discuss the 1985 agreement between the Town and the Ridgefield Library and suggest that it may be worthwhile to update its language and specify a range for the Town’s contribution to the Library.

Ms. Sims said there is a lot of opportunity on the State and Federal levels for “green” building projects and suggested the Library Board research what is currently available.

BOARD OF EDUCATION – YTD FINANCIAL REVIEW

Mr. Hendrickson prepared an executive summary to the BOE’s January 2010 Financial Report stating (inter alia) that through the first seven months of the fiscal year the BOE has spent 53.5% of its budget with another 41.4% spoken for, leaving an un-encumbered balance of 5.1%.

Regarding the State reimbursement on the High School building project, Mr. Hendrickson is going to Hartford on March 26th to meet with the auditors and refute the square feet and enrollment numbers they used in their audit, which could change the reimbursement amount significantly.

East Ridge is not ready for State audit. It still has a few unresolved change orders.

Regarding ECR, the BOE budgeted for a 70% reimbursement and received an 84% reimbursement (\$1,146,556.00 or \$446,556 above the budgeted figure) which compares with 100% last year. In response to an inquiry from Mr. Ulmer, Mr. Hendrickson explained that ECS is structured the same way next year which is its last year. After next year the Town will see a “tremendous increase”.

Mr. Hendrickson expressed some apprehension over February's electric bill, which he has yet to receive, as well as two special education cases which are currently in mediation.

Ms. Bornstein asked about the \$126k the BOE has forecast returning to the Town at the end of the fiscal year. Mr. Hendrickson replied that \$100k is "baked in".

Mr. Gomez asked when will we see transfers coming out of special education. Mr. Hendrickson said if the BOF wants to see transfers, he will include them in his report.

Mr. Heiser asked when Mr. Hendrickson anticipates receiving the State's reimbursement on the High School building project. Mr. Hendrickson responded that a decision should be reached at the March 26, 2010 meeting as to what the reimbursement is. Mr. Redmond reminded the BOF that the school building projects budgets are currently in a deficit position which needs to be recovered before any money can go to the General Fund.

Mr. Heiser then asked about the health savings accounts being offered to teachers, and was told that open enrollment is in May.

CONTROLLER'S REPORT

The BOF reviewed Mr. Redmond's most-recent forecasts showing a surplus of \$900k which would mean only \$100k of the designated fund balance would be needed.

Ms. Bornstein asked if the town road aid were certain and Mr. Redmond responded that it is and it is about \$180k.

There is \pm \$50k of snow-removal materials remaining.

Parks & Recreation revenues are down, but they are picking up some of that by reducing expenses.

Some job vacancies have not been filled.

The Legal budget line continues to run well under budget.

Mr. Ulmer asked about various phone accounts that are currently under budget. Mr. Redmond warned not to count on that money, that at least some of it was due to an operating lease on phone equipment.

The BOF reviewed Mr. Redmond's fund balance roll forward analysis showing what amount had been designated for the fiscal years 2007, 2008 and 2009 and what amount had actually been used. Ms. Bornstein asked what kind of outstanding liabilities need to be supported and Mr. Ulmer added that it was a good question for the First Selectman. Mr. Ulmer reminded everyone that a lot of the fund balance had to be used for Bennetts Ponds.

Mr. Gomez asked for an official request to Town Counsel to provide his best estimate for anticipated costs of labor and land disputes. Mr. Redmond said the BOF would have to go into executive session to discuss that information.

Mr. Ulmer expressed surprise at the \$100k in the capital account saying he thought the balance was zero, noting that the capital account used to add about \$100k per year. Mr. Redmond said that, basically, that party is over. Mr. Ulmer opined that the whole line on the budget was "squirrely". Mr. Gomez asked about capital project close outs and Mr. Redmond said that Mr. Wahlberg did a big close out before he retired. Mr. Ulmer said the

other thing that goes in the capital account is any money that was approved for a specific purchase but not expended, i.e a piece of equipment approved for \$25k that gets purchased for \$24k, the remaining \$1k falls into the capital account.

Mr. Redmond said he has conferred with Jeannette Marcoux, bond advisor, and he thinks there may be another opportunity for refunding.

Mr. Ulmer asked about the bond schedule for 2012 noting that it was a lot higher than he thought it was going to be.

OLD BUSINESS
NEW BUSINESS

The BOF discussed the budget hearings scheduled for March 29th and April 5th and subsequent deliberations with department heads.

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Ms. Sims to adjourn the meeting at 10:41 p.m.

Vote: 5-0. Motion **APPROVED**.

Respectfully submitted,
Karen Rodgers, Recording Secretary