

**APPROVED MINUTES - BOARD OF FINANCE MINUTES
BUDGET DELIBERATIONS MEETING
MONDAY, APRIL 4, 2011**

A budget deliberations meeting of the Board of Finance was held on Monday, April 4, 2011 in the large 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; Andy Bodner, Selectman; Kevin Redmond, Controller; Deborah Low, Supt. Of Schools; Paul Henrickson; BOE Business Manager; Amy Shinohara, John Palermo, Paul Sutherland, Board of Education; Fire Chief, Heather L. Burford; Police Chief, John Roche

Mr. Gomez called the meeting to order at 7:30 p.m., stating that budget deliberations were continuing from last Thursday, March 31, 2011 with the potential for a vote on capital items and the proposed budgets; that it was no longer a public hearing with public input. Mr. Gomez announced the following order of business: 1) Capital IT request, continued from last Thursday; 2) Revenue review; 3) Capital Budget; 4) Town Budget; 5) BOE budget; The proposed budgets are as follows:

Proposed Town Budget: **\$31,560,256.00**, a ___% increase over 2009/2010 budget of \$30,941,427.00

Proposed School Budget: **\$79,745,091.00**, a ___% increase over 2009/2010 budget of \$77,807,680.00

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

Debt Service: **\$13,694,220.00**, a % decrease under the 2009/2010 budget of \$13,811,296.00

CAPITAL IMPROVEMENT PLAN – IT DEPARTMENT

Mr. Redmond reviewed a spreadsheet he had prepared in conjunction with IT Director, Joe Blow, detailing the IT Department's capital requests for fiscal year ending 2012 through fiscal year ending 2016. Mr. Ulmer noted that the Police Department's IT equipment has been moved into the Town's IT budget.

The BOF was very uncomfortable with the proposed capitalization of IT equipment with less than a ten-year life, and relatively small unit costs, and made it clear it was loath to approve same. Mr. Marconi stated that the Town wants to move everything into the operating budget, but prefers to do so over a period of time, not all in one fiscal year.

Mr. Ulmer asked: "Why not this year when your operating budget is about as low as it is going to get?"

Mr. Marconi responded that the BOS was trying to get the mill rate down and moving all the IT equipment replacements into the operating budget would adversely affect that goal.

Mr. Redmond sounded a positive note when he informed the BOF that the Parks & Recreation Department has moved its IT equipment replacement into its operating budget.

Mr. Gomez opined that, by capitalizing the IT equipment replacement, the Town was putting forth an operating budget that was artificially low. Mr. Marconi took exception to that characterization of the Town's operating budget.

Ms. Bornstein: "We are not too excited about it."

Mr. Ulmer: "Last year I said I am never going to bond another computer."

Mr. Marconi: "We can go to a lease."

Mr. Ulmer: "What challenges do you see to the use of fund balance?"

Mr. Marconi indicated he did not foresee much in the way of challenges to the use of fund balance, but he said there were three pending lawsuits and an FOI issue, most of which would be covered by insurance with no impact on fund balance. Without general property taxes and any use of fund balance, revenues are projected to be \$12,655,518.00.

REVENUE REVIEW

REVENUES	
General Property Taxes	\$ 112,444,049.00
Prior Year Taxes & Supplements	\$ 1,225,000.00
Interest & Lien Fees	\$ 350,000.00
Intergovernmental	\$ 3,229,420.00
Licenses & Permits	\$ 473,000.00
Charges for Services	\$ 6,637,158.00
Revenue from Investments	\$ 100,000.00
Fines-Forfeitures-Penalties	\$ 54,000.00
Operating Transfers	\$ 361,940.00
Other Revenues	\$ 225,000.00
Use of Fund Balance	\$ 400,000.00
	\$ 125,499,567.00

EXPENDITURES	
Town Budget	\$ 31,485,256.00
School Budget	\$ 79,213,314.00
Capital Projects Financing	\$ 100,000.00
Debt Service	\$ 13,694,220.00
Total Expenditures (+ 0.18%)	\$ 124,492,790.00

Mr. Heiser opined that the licenses & permits projection was conservative, and added that past conservative projections "have served us well". He said he did not want to increase any of the projections. Mr. Ulmer agreed.

Ms. Sims made and Mr. Heiser seconded a motion to accept the revenue projections as presented in the Board of Selectmen's Proposed Budget.

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

CAPITAL BUDGET REQUESTS

\$ 55,000.00	Asphalt Recycler
\$ 28,500.00	3 Plows, 11'
\$ 40,000.00	Re Built Grader
\$ 148,000.00	Loader
\$ 271,500.00	
\$ (8,500.00)	Trade-in on Loader
\$ 263,000.00	

Mr. Heiser made and Mr. Gomez seconded a motion to approve the Highway Department's equipment replacement capital request in the amount of \$263,000.00.

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

\$ 175,000.00	Mack Dump Truck
\$ 60,000.00	Dump Truck w/Plow
\$ 48,000.00	Service Truck
\$ 283,000.00	

Ms. Sims made and Mr. Heiser seconded a motion to approve the Highway Department's vehicle replacement capital request in the amount of \$283,000.00.

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

\$ 150,000.00	Drainage/Waterway Work
\$ 1,200,000.00	Road-Class 2 Overlay
\$	Guardrail Replacements

40,000.00	
\$ 1,390,000.00	

Mr. Heiser made and Ms. Sims seconded a motion to approve the Highway Department's road maintenance capital request in the amount of \$1,390,000.00.

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

Mr. Heiser made and Ms. Ulmer seconded a motion to approve the Highway Department's Mamasasco Lake project capital request in the amount of \$35,000.00.

VOTE: 3-2. Voting for the Motion: Mr. Heiser; Ms. Bornstein and Mr. Ulmer. Voting against the motion: Mr. Gomez and Ms. Sims. Motion **APPROVED**

\$ 10,100.00	ADA Accessible Entrance
\$ 22,000.00	Field Conditioner Tractor
\$ 30,000.00	Yanity Crts Safety Imprvmnts
\$ (500.00)	Trade-in
\$ 61,600.00	

Mr. Ulmer made and Mr. Gomez seconded a motion to approve Parks & Recreation Department's capital request for ADA Accessible Entrance; Field Conditioner Tractor and Yanity Courts Safety Improvements in the amount of \$61,600.00

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

Ms. Bornstein made and Mr. Gomez seconded a motion against funding the Parks & Recreation Department's capital request for the "Spray Bay" water playground project in the amount of \$335,000.00 less \$235,000.00 in matching funds.

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

\$ 40,000.00	Venus Bldg Imprvmnts
\$ 20,000.00	Fire House - Gen. Rprs
\$ 20,000.00	Teen Cntr - Gen. Rprs
\$ 150,000.00	Sidewalks
\$ 35,000.00	Tree Replacement
\$ 265,000.00	SUB-TOTAL
\$ (150,000.00)	State LOCIP Grant
\$ 115,000.00	

Mr. Gomez made and Mr. Ulmer seconded a motion to approve the Town Engineer's capital request in the amount of \$265,000.00 with a \$150,000.00 offset in the LOCIP grant.

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

\$ 16,000.00	Cruiser Lght Bar Replcmnts
\$ 33,600.00	Portable Radios
\$ 49,600.00	

Mr. Gomez made and Ms. Bornstein seconded a motion to the Police Department's capital request for cruiser light bar and portable radio replacements in the amount of \$49,600.00.

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

Mr. Gomez made and Ms. Sims seconded a motion to fund the Police Department's capital request for replacement of three police cruisers in the amount of \$75,000.00 from "reserve other".

VOTE: 4-1 (Mr. Ulmer voting against the motion.) Motion **APPROVED**.

\$ 575,000.00	Engine #1
\$ 185,000.00	Ambulance
\$ (5,500.00)	Trade-in Ambulance
\$ 60,471.00	SCBA Equipment
\$ 814,971.00	

Mr. Ulmer made and Ms. Sims seconded a motion to approve the Fire Department's capital request in the amount of \$814,971.00.

VOTE: 4-1 (Mr. Heiser voting against the motion.) Motion **APPROVED**.

\$ 78,200.00	Server Hard/Software
\$ 22,000.00	Router/Switch Replacement
\$ 100,200.00	

Ms. Bornstein made and Ms. Sims seconded a motion to approve Information Services' capital request for server and router/switch replacements in the amount of \$100,200.00.

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

\$ 100,000.00	Asbestos Abtmnt-FES
\$ 70,000.00	Asbestos Abtmnt-VPES
\$ 20,000.00	Gen. Repairs - Bldgs.
\$ 35,000.00	Sidewalk Repairs - Bldgs.
\$ 20,450.00	Grounds/Safety Imprvmnts

\$	
245,450.00	

Mr. Gomez made and Mr. Heiser seconded a motion to approve the Board of Education's requested capital improvement plan in the amount of \$245,450.00

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

Mr. Ulmer made and Mr. Gomez seconded a motion to approve the Energy Projects (Board of Education and Town) Lighting and Weatherization Capital Improvement Plan in the amount of \$1,500,000.00 (\$1,900,000.00 with \$400,000.00 rebate).

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

Mr. Gomez made and Ms. Sims seconded a motion to approve the Board of Selectman's budget in the amount of \$31,485,256.00 representing a 1.76% increase of \$543,829.00 over the 2010/2011 fiscal year budget; and to approve the Board of Education's budget in the amount of \$79,213,314.00, representing a 1.81% increase of \$1,405,634.00 over the 2010/2011 fiscal year budget; and to approve a \$400,000.00 use of fund balance.

VOTE: 4-1 (Mr. Ulmer voting against) Motion **APPROVED**.

Ms. Sims expressed her support for the motion and cited CBIA statistics regarding the State's unemployment trust fund and the potential negative impact for Connecticut businesses. She opined that we are not out of this down turn/recession.

Mr. Heiser expressed his concern about new taxes coming out of Hartford, if the State is overrunning its expenses.

Ms. Bornstein: Commented that the budget process very transparent, that no one could find where anyone is hiding anything, but 2% (increase) or below was a goal. She expressed concern over the three/four year forecast, noting the proposed increases and questioning whether or not they were sustainable. She opined that the rate of increase is not sustainable. She noted that, over the last three years (2007-2010) Ridgefield has funded the third highest per-pupil increase for its drg, an increase of 9.2%.

Mr. Ulmer: Voiced a strong, opposing opinion to that of the other four members of the Board of Finance and, uncharacteristically, spoke at length in support of his opinion. A summary of Mr. Ulmer's remarks follows:

- Ridgefield's per pupil spending is already the lowest in its drg and continues to be the lowest in its drg.
- 169 towns in Connecticut Ridgefield is below the State average in spending and up at the top in State achievement which means we have been doing a lot more with a lot less than most towns in Connecticut.
- Recent increases in BOE budgets have been the lowest in years and years.
- It's nonsense that our BOE is overspending. Absolute nonsense.
- Last were we took the BOE's budget down from 1.67 to 1.35 based on revenue.
- The BOE has done a lot of things in a lot of areas and has basically taken all the low hanging fruit in the expenses.
- This year there are different issues. ECS has been reduced. Turn-over savings were elusive. Health care benefits are up \$1MM.

- In this year's program and last year's program there were no program improvements whatsoever, except for the full-day kindergarten.
- Mr. Gomez' motion takes a sledgehammer to our children, and the hard work of the BOE.
- There is no doubt in my mind that the economy at this point in time is better than the economy a year ago when we put forth a 1.97% tax increase.
- The sustainability of Ridgefield cannot be improved by this kind of cut.
- The past six years our increases in the mill rate have been 2.02, 0.4; and 1.97 last year. Your proposal is under 2% going forward. The six year change in the mill rate is under 10% .
- You have left the federal government out of your calculations.
- You have looked at the State tax increases, but you forget the larger picture.
- In 2009/2010 a family of four earning \$120k got \$800.00 a year from the recovery act. There were also tax credits and incentives for various other things such as cash for clunkers, first time home buyers, energy upgrades, etc. This year, that family has gotten a \$2,400 decrease in their taxes because of the social security reduction. That's a \$2,400 tax benefit from the federal government.
- We knew last November, when we had the tri-board meeting, that we had a new governor, that we just voted for, and he has not done anything that he didn't tell us he would do, before we voted for him. Not a thing.

Mr. Heiser: "For the record, I did not vote for that Governor."

- We will be better off with a balanced State budget than we would be without a balanced State budget.
- Governor Malloy said he wanted to spare education. In terms of what we in Ridgefield get from the State we are whole, we are not distressed.
- Your premise is that now we should cut education resources even though the Governor kept us whole. California Governor Brown kept K/12 education whole. I don't think this is courageous at all.
- The BOS and BOE have done that heavy lifting. We BOF seem to think that we know better. It's a perversion of the democratic process in the worst sense.
- Economies go up and down, sometimes down more than we like but we have got that back to par. The idea that when the economy goes down that our educational effort should also go down is wrong.
- We know people who are hurting, but 94% of Ridgefield is employed and they are worried about their children and we should worry about them more than the ups and downs of the economy. The tougher it gets, the more we should defer to the voters.
- Inflation goes up 2.2% per year. Our mill rate increase is well below the rate of inflation.
- Long term,.. Ridgefield property values are increasing. My property went up 60%, then down 30%.
- What was proposed to us is affordable and sustainable.
- Budget cuts will create flight. People won't come hear if this happens to the schools.
- This motion has nothing to do with the affordability and sustainability of the proposed budget, and everything to do with the power of this board.

Mr. Gomez: Thank you for your comments.

Beginning Fund Balance	\$ 9,903,640.00
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Less 6/30/11 designated (encumbered)	\$	(400,000.00)
any other encumbrance(s)		
Potential Surplus/Deficiency		
Ending Fund Balance	\$	9,503,640.00
Reserved for Encumbrances		
Unreserved Undesignated Fund Balance	\$	9,503,640.00
as Percent of Expenditures		6.72%

The following were approved by the Board of Finance to be recommended to the voters: Town Budget of \$31,485,256.00, a 1.76% or \$543,829.00 increase
School Operations Budget of \$79,213,314.00, a 1.81% or \$1,405,634.00 increase
Capital Project Financing of \$100,000.00
Debt Service Budget of \$13,694,220.00
Which would translate to a _____ mill rate representing a _____ % tax increase.

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Ms. Sims to adjourn the meeting at 10.52 p.m.

VOTE: 5-0. MOTION APPROVED.

Respectfully Submitted,
Karen Rodgers
Recording Secretary