

**APPROVED MINUTES OF THE BOARD OF FINANCE REGULAR MEETING
TUESDAY, FEBRUARY 17, 2009**

A regular meeting of the Board of Finance was held on Tuesday, February 17, 2009 in the conference room in Town Hall at 7:30 p.m.

Members Present: Marty Heiser, Chairman; David Ulmer; Peter Gomez; and Robert Cascella

Members Absent: Kevin Walsh, Vice Chairman

Town Officials: Kevin Redmond, Controller; John Mannuzza, Asst. Controller
Jane Berendsen-Hill, Tax Collector; Fire Chief Heather L. Burford

Guests: Joseph Centofanti, Kostin Ruffkess

A G E N D A

1. Executive Session, Kostin Ruffkess Audit Update
2. Approval of Prior Meeting Minutes
3. Tax Collector's Report
4. Treasurer's Report
5. Controllers Report:
 - a. Financial Review
6. Discussion of User Fees
7. FYE 10 Budget Update
8. Election of Officers
9. Old Business
 - a. New Business
 - b. Communications & Correspondence
10. Adjournment

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

EXECUTIVE SESSION

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to go into Executive Session at 7:30 p.m. for the purpose of discussing the Kostin Ruffkess internal audit.

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

A motion was made by Mr. Gomez and seconded by Mr. Heiser to come out of Executive Session at 7:58 p.m.

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

No action was taken.

APPROVAL OF PRIOR MEETINGS' MINUTES

A motion was made by Mr. Cascella and seconded by Mr. Heiser to approve the Minutes of the Board of Finance's January 20, 2009 meeting.

Vote: 3-0-1. (Mr. Ulmer abstained) Motion **APPROVED**.

A motion was made by Mr. Cascella and seconded by Mr. Heiser to approve the Minutes of the Board of Finance's February 3, 2009 meeting.

VOTE: 3-0-1. (Mr. Gomez abstained) Motion **APPROVED**.

TAX COLLECTOR'S REPORT

Fiscal Year Ending 6/30/2009							Prior YTD
TAX COLLECTOR'S REPORT (\$ in millions)						%	as %
	BUDGET	Q1	Q2	Jan	Y-T-D	Clctd	of Actual
Current Taxes	\$ 105.6	\$31.6	\$27.4	\$ 19.8	\$ 78.8	74.68%	74.89%
Supplemental MV	\$ 0.8	\$ -	\$ 0.3	\$ 0.2	\$ 0.5	71.24%	84.22%
Prior Year Clctns	\$ 0.5	\$ 0.3	\$ 0.2	\$ -	\$ 0.5	95.72%	73.58%
Int. & Lien Fees	\$ 0.3	\$ 0.1	\$ 0.1	\$ -	\$ 0.2	55.13%	49.82%
As of 1/31/09	\$ 107.1	\$32.0	\$27.9	\$ 20.1	\$ 80.0	74.69%	74.80%

Mrs. Berendsen-Hill reported that she has already achieved the budgeted amount on prior-year taxes and that she expects to collect a good bit more, but even that will not cover the gap left due to the miscalculation of supplemental motor vehicle taxes which are off \pm \$150k. Mrs. Berendsen-Hill said she has accelerated sending prior year motor vehicle and personal property tax delinquents to collection so that we can move that a little quicker. Mrs. Berendsen-Hill. noted that she and the tax assessor had each lost personnel because they had the most junior people, and they had to train new people who came from other jobs.

TREASURER'S REPORT

No Treasurer's Report was presented.

CONTROLLER'S REPORT

Mr. Redmond reported that the revenue shortfalls were pretty much the same as reported in January, down \$1MM/\$1.1MM below budgeted amounts. He reported that the Town has taken action to fill the gap and the BOE has committed to its piece of phase I, but not to phase II. There is a meeting scheduled for February 18, 2009 regarding State reimbursements.

Mr. Gomez identified two cost drivers: 1) the cost of the radon remediation @ \$100k; and 2) the cost to begin funding GASB 45, which is 90% BOE.

It was noted that GASB 45 did not require funding in the current budget year. Mr. Redmond acknowledged that was true and opined that the rating agencies would not look favorably on that and added that the discount rate is higher when a Town funds the obligation and that higher discount rate results in a lower liability. Mr. Cascella

indicated that he did not necessarily think a high approval rating by Standard & Poors, Moody's and Fitch was a top priority at this point in time.

Mr. Redmond added that he believes the rating agencies want to see a funding plan in place.

The BOF agreed that the BOE would have to fund the radon remediation out of its current budget.

Mr. Redmond reported that the Town planned to present a "flat" budget for the 2009/2010 fiscal year. A salary and benefits freeze is part of that plan.

Mr. Ulmer, who has attended recent BOE meetings, reported that the BOE does not seem like it is going to move off its 2.4% increase. The BOE meets to vote on its budget February 23, 2009.

Mr. Redmond wondered "what if" the BOE's proposed budget results in a 2.5% tax increase. He noted that only \$300k of the savings to be realized from restructuring the 2001 bond issue is being applied to the 2009/2010 budget.

Mr. Gomez said he was more concerned with the here and now involved with filling the \$1MM/\$1.1MM revenue gap. He noted the BOE now needs to find \$815k.

In response to a questions about a revenue item (telephone access grant), Mr. Mannuzza explained that instead of the Town collecting property taxes from the phone company, the taxes are collected by the State and proportioned out to the various municipalities. He offered to report back to the BOF on the timing and the amount.

Mr. Heiser reported that he has spoken with State Representative John Frey about State reimbursements and was told that money was designated a long time ago and is not subject to cuts.

Mr. Ulmer: Did you ask him about ECS?

Mr. Heiser responded that was a dicey matter which could be problematic for lower Fairfield County municipalities.

On the expense side of the budget, Mr. Redmond said that one could see the benefit of some of the cost-savings measures. He noted legal costs as an area with some wiggle room. Mr. Ulmer promptly disabused him of that idea, noting that legal costs tend to come in late and over budget. Snow storm-related overtime costs for Parks & Recreation and the Highway Department were discussed.

Fire Chief Heather L. Burford joined the BOF at the head table and, at the BOF's request, made an effort to justify the department's perennially over-budget, over-time line item.

- 1) The Fire Department's over-time budget has, historically, been under funded
- 2) There have been fourteen "very major" fires so far this fiscal year. Four times the number of calls usually received in any given period.
- 3) The Fire Inspector's position was not funded which resulted in the over-time budget being used to pay two Fire Captains, at over-time rates, to conduct fire inspections. She was quick to note that the revenue generated by these inspections exceeds the cost. Mr. Gomez asked if the cost of fringe benefits was impacted by the accumulated overtime, and Chief answered "potentially".

Fire Chief Heather L. Burford then explained that the pressure will come off the Department's overtime budget because:

- 1) There are now four new, fully trained firemen with results in
- 2) More fully staffed shifts so absences no longer require additional staffing at over-time rates. "Up to three people can be off before I have to backfill."

Fire Chief Heather L. Burford went on to say that she is reviewing the Department's fee schedule and looking to pay a lower percentage of gross for billing services. Ridgefield now pays 10% for billing while the area average is 6%/7%. The Fire Department is considering the idea of billing for fires and motor vehicle accidents. Mr. Heiser asked how many towns currently charge user fees for fire department services and Fire Chief Heather L. Burford responded: "many".

Looking at the Workmens Compensation line item which is currently at 98% of budget, Mr. Gomez asked if the amount reflected claims or premiums. Mr. Redmond answered that it was premiums and he did not know why it is paid so far in advance.

DISCUSSION OF USER FEES

Mr. Cascella reported that he has put the user-fee information gathered by Mr. Redmond into a two-page report which will be ready to distribute at the next BOF meeting. He noted: "It appears that Ridgefield is not significantly lower than other towns in its demographic."

FYE 10 BUDGET UPDATE

The 2010 budget binders have been distributed. Mr. Redmond called the BOF's attention to the fact that both the operating and capital budgets were in the binders. He said that, as a place holder, there is a 2.5% increase in salaries. There will be another budget version after the binder which currently has some penciled in notes and comments. He said the capital budget is done and it is what the BOS will propose, but it is not prioritized, as the BOF requested. Mr. Gomez asked what rate of inflation was built into the budget, and Mr. Redmond responded that no rate of inflation was built in other than in utilities where some savings are anticipated. He said the Town is going to put electricity out to bid. "We absolutely have to push back where a vendor says there will be an increase."

Mr. Ulmer asked about GASB 45 and Mr. Redmond responded that it really should be in the BOE's budget.

Mr. Redmond called the BOF's attention to the last section of the budget which has transfers where there are two funds that are in a deficit position. (1. Animal control; and 2. Reassessment) Animal Control is a Special Revenue Fund. It is consistently worsening and needs to be funded now or over time. This is a statutory requirement. Mr. Redmond recommended that it be added to the general operating budget so the deficits never happen again. Mr. Gomez recommended placing animal control in the police budget because the animal control officer reports to the police chief.

Mr. Heiser asked what the Town's purchasing policy for multiple bids is. Mr. Redmond said that anything over \$5k has to be put out to bid except for professional fees. He was not sure about insurance policies. He expressed confidence that the bidding policy was being followed "diligently".

Regarding ambulance fees, Mr. Redmond expressed his preference to net out revenues rather than showing expenses and revenues separately. Mr. Cascella said the BOF did that on special duty. Mr. Gomez said he is okay with it.

ELECTION OF OFFICERS

A motion was made by Mr. Cascella and seconded by Mr. Gomez to nominate Mr. Heiser for Chairman of the Board of Finance.

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

A motion was made by Mr. Cascella and seconded by Mr. Heiser to nominate Mr. Gomez for Vice Chairman of the Board of Finance.

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

OLD BUSINESS

Mr. Heiser reported that he met with Sue Manning at Ridgefield Bank who indicated to him that Ridgefield Bank has two-year certificates of deposit available at rates of 4% and at least 3% for a three-month certificate of deposit. She was eager to talk about it, and said that Selectman Andy Bodner had spoken with her about the same matter.

Mr. Gomez said that the BOF would like to better understand Treasurer's report and to improve the quality of detail disclosed.

NEW BUSINESS

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Gomez and seconded by Mr. Heiser to adjourn the meeting at 9:23p.m.

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

Respectfully submitted,
Karen Rodgers, Recording Secretary