

**APPROVED/BOARD OF FINANCE MINUTES – SPECIAL MEETING
TUESDAY, NOVEMBER 15, 2011**

A special meeting of the Board of Finance was held on Tuesday, November 15, 2011 in the large conference room in Town Hall at 8:00 p.m.

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

Members Absent: Peter Gomez, Chairman

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

A G E N D A

- 1) Approval of Minutes –10/18/11
- 2) Tax Collector’s Report
October 2011 Report
- 3) Treasurer’s Report
- 4) BOE YTD Financial Review – Paul Hendrickson
Fiscal 2011 Actual and 2012 Year To Date
Energy Savings Tracking / Update
- 5) Read actual approved resolution to appropriate \$7,000,000 for the purchase of Schlumberger Property (Town Clerk Requires). Update on contract.
- 6) Controller’s Report
 - a) Fiscal Year to Date 2012 and FCST
 - b) Storms Update (Jan. 11, Aug 11 and October 11 storms) and status of FEMA for each
- 7) Pension Report Update
- 8) General
 - a) Old Business
 - b) New Business
 - c) Communications & Correspondence
8. Adjournment

Ms. Bornstein called the meeting to order at 8:00 p.m.

APPROVAL OF MINUTES

TAX COLLECTOR’S REPORT

Tax Collector's Report

| Fiscal Year Ending June 30, 2012 | | | | | | Prior YTD | 09-10 YTD | 08-09 YTD | 07-08 YTD |
|----------------------------------|--------|----|---------|-----|---------|-------------|-----------|-------------|-----------|
| (in millions) | Budget | Q1 | October | YTD | % Clltd | % of Actual | | % of Actual | |
| Current Taxes | | | 22.1 | | | 49.65 | 49.81 | | |

| | | | | | | | | | |
|------------------------|-------|------|------|------|-------|-------|-------|-------|-------|
| | 111.4 | 33.9 | | 56.0 | 50.29 | | | 49.79 | 50.88 |
| Supplemental MV | 0.6 | - | - | - | - | - | - | - | - |
| Prior Year Collections | 0.6 | 0.4 | 0.1 | 0.4 | 67.27 | 38.99 | 52.61 | 41.13 | 51.63 |
| Interest & Lien Fees | 0.4 | 0.1 | 0.0 | 0.1 | 29.18 | 20.13 | 52.55 | 21.64 | 27.72 |
| As of Oct. 30, 2011 | 113.0 | 34.4 | 22.2 | 56.6 | 50.05 | 49.45 | 49.86 | 49.63 | 50.82 |

Ms. Berendsen-Hill reported that she delayed mailing out the delinquent tax notices due to the October 29, 2011 snow storm (a/k/a "Alfred") that downed trees and power lines and left most of Ridgefield without power for a week or more. She opined that the real estate market is eerily quiet, and building permits are strong. The Town Hall got power from a generator located right outside the Tax Collector's window, and business went on as usual.

Mr. Heiser noted that ytd conveyance tax collections total \$221k, where last year at this time the amount collected was \$285k. He said: "This isn't encouraging to me."

TREASURER'S REPORT

Investment as of
10/31/2011

| | | |
|--------------------------------------|-----------------|------|
| HSBC | \$ 3,576,235.51 | 0.35 |
| MBIA | \$ 5.13 | 0.14 |
| Rdfld Bank (MuniMMA) | \$15,912,673.17 | 0.23 |
| Rdfld Bank CD | \$ 1,503,090.98 | 0.40 |
| STIF (pooled short term) | \$ 244,911.85 | 0.14 |
| Union Svg | \$ 22,668.39 | 0.25 |
| Union Svg - CD | \$ 846,617.75 | 0.35 |
| Wachovia (MunMMA) | \$ 2,325,750.92 | 0.25 |
| | \$24,431,953.70 | |
| | | |
| YTD Interest Earned as of 10/31/2011 | | |
| HSBC | \$ 2,392.23 | |
| Ridgefield Bank | \$ 5,600.87 | |
| STIF | \$ 177.49 | |
| Union Savings | \$ 5,856.54 | |
| | \$ 14,027.13 | |
| | | |
| | | |

BOE YTD FINANCIAL REVIEW – PAUL HENDRICKSON

Ms. Bornstein asked about the amount of money the BOE will return to the Town from its 2010/2011 budget from its \$822k in fiscal year-end encumbrances. Mr. Hendrickson responded that \$140k/\$142k should be closed shortly and that amount would be returned to the Town right away and more as time goes on. Mr. Hendrickson said that, to date, he has only looked at the large-ticket items. The amount the BOE has already returned to the Town is above \$160k.

Mr. Heiser asked what is needed to encumber money, and Mr. Hendrickson responded "a open purchase order".

Mr. Heiser: "We ended up not making the purchase(s)?"

Mr. Hendrickson: "It's money from our budget that was not spent."

Mr. Heiser asked if there was any additional costs or savings as a result of "Alfred", when the energy is cut off do we save? Mr. Hendrickson responded "sure, except for the diesel fuel to run the generators and the food lost for lack of refrigeration. Insurance has a \$10,000.00 deductible per incident. Mr. Hendrickson: "I don't think the effect will be huge, but I think we will go over the \$10,000.00 deductible.

Mr. Heiser noted that school enrollment is down fifteen (15) students in K-8th grade. Mr. Hendrickson referred to Dr. Chung's report stating 5,312 students in the school system. Mr. Ulmer added that the BOE budget was for 5,325 students. Ms. Bornstein asked about future predictions, and Mr. Hendrickson responded that the enrollment numbers go down in predictions for the future.

The increased HSA enrollment was noted as a bright spot in the BOE's budget.

Mr. Ulmer asked if there were any progress on the receipt of State re-imbusement, and Mr. Hendrickson responded that there was not.

Ms. Bornstein asked about the anticipated energy savings resulting from the initial implementation (it's all lighting) of the energy-savings plan. Mr. Hendrickson noted the progress of the implementation and said the estimated completion of this first phase was December 19, 2011. Computing the savings resulting from the lighting changes requires factoring in many variables, not just looking at the electric bills.

READ APPROVED RESOLUTION TO APPROPRIATE \$7,000,000 TO PURCHASE SCHLUMBERGER PROPERTY

Ms. Bornstein asked Mr. Redmond if he would explain to the BOF what it needs to do with the resolution that is required to be read? Mr. Redmond said that the First Selectman should be signing the contract with Schlumberger in the next couple of days, there is no third party to the contract any longer. The important thing is that you authorize the issuance of the bond.

Ms. Bornstein: "How can we do that when we haven't seen the contract?"

Mr. Heiser: "If they are going to sign the contract, so why are we being asked to sign off on this verbage?"

Mr. Redmond: "We are going to bond this. Maybe we will do a special meeting if the resolution passes. At some point you are going to have to do that."

Ms. Bornstein: "We did not approve this verbage."

Dom: "It's an insurance policy against affordable housing in the range of 300/500 units. This could be the same mistake we made with the Eureka property where we still have 500 units coming in there. Have Ridgefield stay the way it is because that's peanuts (the \$7MM) compared to what we are going to spend on Eureka.

Ed Tyrrell spoke against approval of the Schlumberger as follows:

Jan Rifkinson: "Everything about this deal is anecdotal, no facts, no signed documents, at least see the contract, otherwise it's a pig in a poke."

Mr. Ulmer: "We have seen 90% of the contract, or more."

Ms. Bornstein noted that the BOF made a motion at its October 28, 2011 Special Meeting supporting the purchase of the Schlumberger property and recommending additional ideas for the BOS to consider. Tonight we will read what that Motion was referring to.

Ms. Bornstein read the following resolution:

Resolved: That pursuant to Section 3-10 of the Town Charter, the resolution entitled "Resolution Appropriating \$7,000,000 For The Acquisition Of 45 Acres Of Land From Schlumberger Technology Corporation On Old Quarry Road In The Town Of Ridgefield And Authorizing The Issuance Of \$7,000,000 Bonds Of The Town To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", a copy of which is attached hereto, is hereby recommended for approval by the legal voters of the Town at a referendum to be held on December 6, 2011.

CONTROLLER'S REPORT

Mr. Ulmer asked Mr. Redmond to discuss the bond anticipation note. Mr. Redmond said he would have to work up the offering memo and include the 2011/2012 approved capital spending, which will total about \$11.7MM. He said the funding needs to be in place by the end of December.

Mr. Heiser: "Schlumberger will have our money and then we will look for the radioactive stuff that has frightened off all other buyers."

Mr. Ulmer: "If we find stuff in sixty (60) days, we can opt out of the contract."

John Palermo: "You will have given the money up front and then do your due diligence. It's backwards."

Mr. Heiser: "It's a little un-nerving when we are asked to hand over \$6MM."

Mr. Ulmer: "We are asking the voters to make a decision. If we have to write a check for \$6MM, we have to ban. Take it to the voters. We need the contract. There are still a couple of public hearings."

Mr. Heiser asked Mr. Redmond how much "Alfred" cost Ridgefield's taxpayers and Mr. Redmond responded that Hurricane Irene cost \pm \$300k including overtime, food, and trees, some of which is part of the budget. (the Tree Warden's budget is \$236k plus a \$35k capital budget), and "Alfred" was very similar to Hurricane Irene as far as costs are concerned. Mr. Redmond opined that "Highway Department overtime will be a problem."

Ms. Sims asked about FEMA re-imburement. Mr. Redmond noted that FEMA looks at costs by county and he opined that "it (outside contracting for trees; overtime; sheltering costs) will come out of our pocket".

Mr. Ulmer asked about the sales tax in lieu of the manufacturer's exemption. Mr. Redmond said he is still carrying it as the manufacturer's exemption and will have ask Al Garzi, Tax Assessor, about it.

Mr. Ulmer said he saw nothing new in Building Department revenue in the October financial review, but the newspaper published an article about Boehringer Ingelheim starting to build.

Ms. Sims asked about probate court costs, noting that consolidation of the probate courts was supposed to save towns money. Mr. Redmond said that so far no savings have been realized, that last year there was a special appropriation for "fitting out costs".

PENSION REPORT UPDATE

From July 1, 2010 to June 30, 2011, the pension fund's assets were up 23%. The Dow Jones index was up 19% for the same period. The Pension Commission assumes a 7% smoothing over five years, and has realized 6.69%. As of November 4, 2011, the pension fund is down 3% from July 1, 2011, which is pretty much in line with the market. The Pension Commission is asking for \$50k more from the BOE because the two plans performed differently.

Ms. Bornstein noted that there are a significant number of Town employees at or very near retirement age, about one half of all Town employees will be at that age within the next five years.

OLD BUSINESS

The tri-board meeting will be held Monday, December 5, 2011 at 7:30 p.m. in the BOE's conference room.

NEW BUSINESS

Mr. Heiser expressed the BOF's appreciation for Margaret Price-Sims' "selfless public service" and the same for Peter Gomez, wishing them both well.

Ms. Sims thanked everybody on the BOF saying it was an honor serving with them.

Ms. Bornstein asked Mr. Redmond when the BOF could expect to see the CAFR on its agenda. Mr. Redmond said it got pushed off to February because the Blum Shapiro could not make the meeting before then. He added that he could circulate a draft report next week.

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Ms. Sims to adjourn the meeting at 9:45 p.m.

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

Respectfully submitted,
Karen Rodgers, Recording Secretary