

BOARD of FINANCE

March 24, 2011 – Public Hearing

Presented by

Peter Gomez & Jill Bornstein

Section 4-15. Board of Finance

(e) Powers and Duties

The Board of Finance shall recommend a budget at the annual Town and Budget Meeting, set the mill rate by resolution following budget approval, review requests for additional appropriations, determine how the town financial records are kept, arrange for an annual town audit for town records, prepare and publish the annual town report ...

...It shall be the **chief financial and budget-making authority of the town with a primary responsibility of establishing and maintaining the town in a sound overall financial condition**. It shall do this by considering financial aspects of municipal government as a whole rather than from the viewpoint of any particular town agency, and ensure, as far as feasible, the payment of the municipality's current debts out of current income.

BOF Role Defined by The Charter

Section 10-1. Budget

*After the public hearing, the Board of Finance shall meet to **consider budget requests against projected revenues and the overall financial condition of the town.** The Board's objective in these considerations is **prudent management of the overall fiscal situation** and not how or where specific amounts are budgeted.*

Section 10-5. Powers and Duties of the Board of Finance in Connection with the Development of Long-Range Financial Planning

*The Board of Finance may require all town agencies and boards dependent on the town budget for any portion of their income to submit estimates for future spending. Such **estimates shall be for the proposed budget plus two (2) years and shall be the best estimates of the present town agency.***

**Deliberation Process Guided by The
Charter**

How The BOF Assesses Revenues and Overall Financial Conditions

Revenue Sustainability

- Organic Growth from Grand List
- Tax Collections Rate
- Charges for Services, Interest Income
- State Grants and Funding levels

Factors Impacting Revenue Sustainability

- Impact of Future Property Revaluations
- Home Sales/Foreclosure Rates
- Ridgefield Unemployment Rate Trend
- Ridgefield Commercial Real Estate Occupancy
- Connecticut GDP Trend
- Current State Budget and Overall Fiscal Health


Debt Service and Capital

- Debt Refinance Opportunities
- Requests and Impact on Debt Repayment Schedule
- Requests and Impact on Expense Reduction

Operating Expenses

- Current year expenditures versus approved budget
- Three Year Expense Projections

Fund Balance Levels



**Big Picture View
Balanced with
Town Needs Drives
Process and
Recommendations**

How Does Ridgefield Look As of Today

Organic Grand List Growth

- 2007 - 2008 = 1.37% or \$1.2M
- 2008 - 2009 = 1.33% or \$1.1M
- 2009 - 2010 = 1.08% or \$1.2M
- 2010 - 2011 = 0.35% or \$0.45M
- 2011 - 2012 = 0.64% (est.) or \$0.8M

Tax Collections Rate – holding, but slipping

- Down Year to Date .53% versus last year

October 2012 Tax Revaluation Forecast

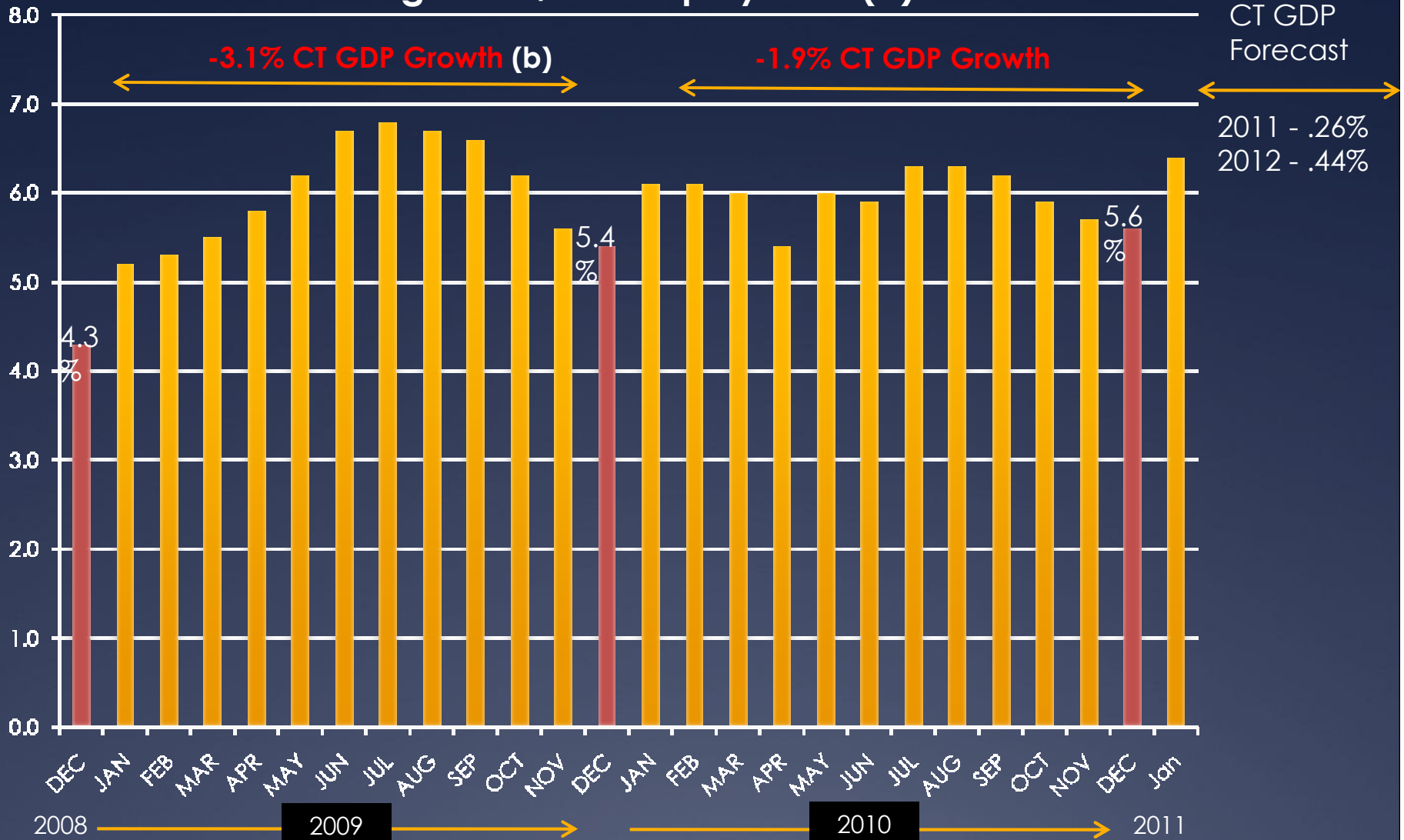
- Higher tax assessed homes will see some reduction in taxes
- Mid range tax assessed homes will see some tax increase

Federal / State Grant Funding

- Education Level Funded from State
- Uncertainty in Manufacturer Exemption/Conveyance Rate from State and other tax offsets
- Federal Stimulus/ARRA Sunset

Revenue sustainability supports our Triple AAA Bond Rating, keeping interest costs as low as possible on our \$100 million of debt

Ridgefield % Unemployment (a)



Effects of Recession Lingering Due to State Economic Crisis

(a)- Source: CT Department of Labor
 (b) – Source: U Conn Center For Economic Analysis

How Does Ridgefield Look As of Today

Debt Service and Capital

- All outstanding debt has been refinanced
- Current year debt service forecasted to be reduced by .85%
- Current year request for \$5 million in new capital projects and Library horizon request of \$5 million would increase debt by ~ 9% and reverse reduction trend
- Energy Study 1st Year Savings of \$581K not included in current year budgets

Actual 2010-2011 expenditures versus approved budget

- Town running slightly under budget
- BOE struggling to achieve current year budget parameters, but pursuing options to come in on budget

Fund Balance Levels – Target 6-8% of Operating Expenses

2007-2008 – 6.86%

2008-2009 – 6.64%

2009-2010 – 7.09%

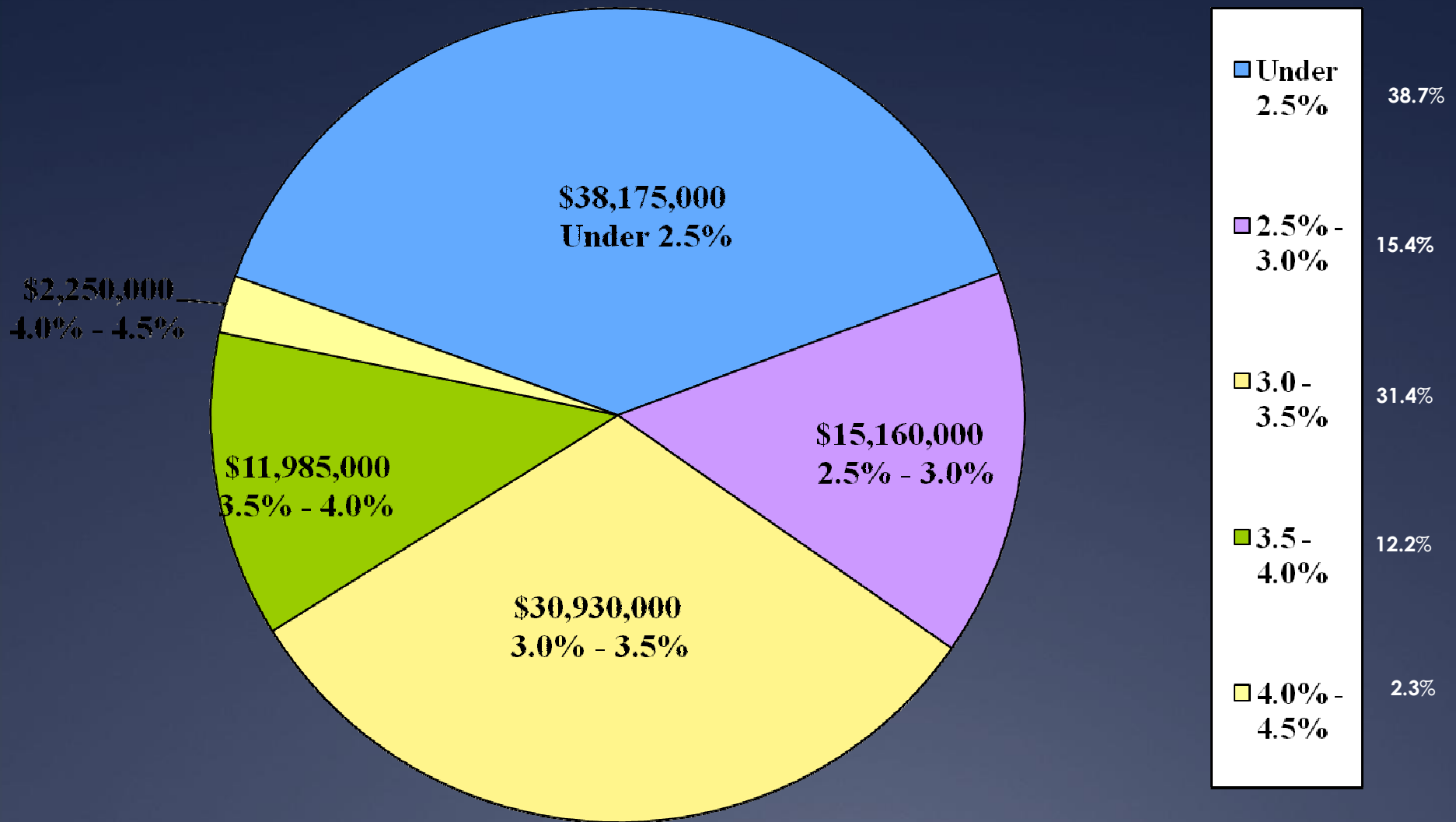
2010 -2011 – 6.9% est (As of Feb 2011 no surplus to be returned)

**BOF considers all these factors against
requested Budgets**

Town of Ridgefield

Outstanding Debt by Interest Rate

March 31, 2011



Note – Rates 3% and higher primarily relate to the 2004 Refunding (\$25M) which cannot be refunded again

March 28th – Public Safety and Public Works

March 29th – Revenue/ Economic and Fiscal Outlook

March 30th - Board of Education

March 31st - Parks and Recreation, General Discussion

April 4th – Deliberations & Potential Vote on Capital, BOS, BOE Budgets

April 5th – Deliberations & Potential Vote on Capital, BOS, BOE Budgets

April 6th – Deliberations & Potential Vote on Capital, BOS, BOE Budgets