

**UNAPPROVED
MINUTES FOR THE BOARD OF FINANCE SPECIAL MEETING
MONDAY, NOVEMBER 16, 2009**

A special meeting of the Board of Finance was held on Monday, November 16, 2009 in the Town Hall Annex Board of Education Conference Room at 8:30 p.m.

Members Present: Peter Gomez, Vice Chairman; Kevin Walsh; David Ulmer; and Robert Cascella

Members Absent: Marty Heiser, Chairman

Town Officials: Kevin Redmond, Controller

A G E N D A

1. Approval of Prior Meeting Minutes
2. Tax Collector's Report
3. Treasurer's Report
4. Controllers Report:
 - a. October YTD Revenue and Expense Review
5. Update on BAN
6. Old Business
 - a. New Business
 - b. Communications & Correspondence
7. Adjournment

Mr. Gomez called the meeting to order at 9:00 p.m.

APPROVAL OF PRIOR MEETINGS' MINUTES

Mr. Cascella made and Mr. Walsh seconded a motion to approve the BOF minutes for the October 20, 2009 meeting.

Vote: 4 – 0. Motion **APPROVED**.

TAX COLLECTOR'S REPORT

Tax Collector's Report
Fiscal Year Ending June 30, 2010

(in millions)	Budget	Q1	October	Y-T-D	% Clltd	Prior YTD % of Actl
Current Taxes	\$ 107.2	\$ 32.3	\$ 21.2	\$ 53.5	49.92%	49.79%
Supplemental MV	0.8			0.0	0.00%	0.00%

Prior Year Collections	0.5	0.6	0.1	0.7	139.47%	41.13%
Interest & Lien Fees	0.3	0.4	0.0	0.4	146.10%	21.64%
As of October 31, 2009	\$ 108.8	\$ 33.4	\$ 21.3	\$ 54.7	50.26%	49.63%

Ms. B-H was unable to attend the meeting due to an illness in the family. Mr. Redmond presented the Tax Collector's Report and opined that it "appears healthy".

TREASURER'S REPORT/DISCUSSION

Investments as of 11/16/09		
Ridgefield Bank	\$ 10,793,534.32	0.40
STIF	\$ 609,235.24	0.40
Union Savings	\$ 212,855.89	0.40
Union Savings CD	\$ 4,000,000.00	0.80
Wachovia	\$ 1,356,522.49	0.40
	\$ 16,972,147.94	
YTD Interest Earned as of 10/30/2009		
Ridgefield Bank	\$ 13,231.65	
STIF	\$ 469.62	
Union Savings	\$ 6,635.27	
Wachovia	\$ 534.90	
	\$ 20,871.44	

Mr. Redmond reported that the Union Savings CD will mature December 10, 2009 and it is likely that the Town Treasurer will "roll it into another". He said the Treasurer seemed comfortable about renewing the CD and anticipated the rollover into a six-month CD. Mr. Ulmer observed that the next lowest point in terms of cash-on-hand will be in June 2010. The cash flow analysis was again discussed and Mr. Redmond said he is still working with the auditors but anticipates wrapping that up by the end of November and being able to turn his attention to the cash flow analysis in December. The Tax Collector has already started to prepare a report tracking tax receipts over the last five years. Mr. Redmond noted that First Selectman, Rudy Marconi, wants him to start on phasing in the new purchase-order software. Mr. Cascella asked if the purchase-order software had been purchased, and Mr. Redmond responded: "not yet".

Mr. Ulmer noted that the cash balance is currently \pm \$17MM where last month it was \$5MM/\$6MM. Mr. Redmond observed that the annual interest earned would probably be short of the \$250k budget (as opposed to \$650k the prior fiscal year). Considering the cash on hand, the BOF discussed waiting to do a bond anticipation note. Mr. Ulmer asked if there were a big bond payment due in December. Mr. Cascella subsequently asked about the bond payment and Mr. Redmond then responded \$8.8MM in principal over the year.

Mr. Gomez reiterated the need for the cash-flow analysis to facilitate the BOF's decisions regarding borrowing and investing funds. Mr. Redmond voiced his time constraints again and noted that Assistant Controller, John Mannuzza is retiring in February, saying "it will be a big loss to the Town". Mr. Ulmer "volunteered" to do a rough cash-flow analysis, noting that tax receipts and accounts payable are, for the most part, fairly consistent year to year.

CONTROLLER'S REPORT

Mr. Redmond said that the low amount of interest reported in the October 2009 financial review could be a timing issue.

Mr. Gomez asked about rental income from Dairyland USA and Children's Corner noting that 33% of the fiscal year is gone and only 25% of the rental income has been realized. Mr. Redmond responded that Dairyland is holding August rent back claiming the Town damaged its landscaping while executing a LOSIP project. Children's Corner is retroactively billing the Town for water usage because it has been purchasing bottled water. Mr. Gomez expressed his discomfort with the lack of an established dispute resolution mechanism. He said: "Short paying the Town is not the way to go about it." Mr. Cascella noted that 90% of existing leases would not allow a tenant to withhold rent.

Mr. Gomez observed that Parks & Recreation and the golf course showed decreased revenues and increased expenses, noting that was not a healthy relationship. Mr. Ulmer optimistically added that the Recreation Center gets a lot of revenue in January of each year. Mr. Redmond informed the BOF that he met with Recreation Director, Paul Roche, earlier today and Mr. Roche forecast a \$100k shortfall in revenues, \$50k of which he hopes to make up by reducing expenses. Mr. Cascella suggested that Mr. Roche be invited to the BOF's January meeting. Mr. Redmond said that last year the Town took action when it realized that revenues were off, but right now there are no actions planned.

Mr. Cascella asked about the heart and hypertension line item, and Mr. Redmond responded that the Town has a special revenue fund. The Town's portion was posted to the wrong fund. Mr. Ulmer noted that the \$136k balance in the fund took a \$100k hit.

Mr. Gomez asked about snow-removal materials. The discussion turned to the anticipated advantage of using a more expensive 'magic ice' that eliminates the need for sweeping and whether or not it is worth the increased cost. Mr. Redmond said that the road crews may not have been applying the product in the right way because you cannot see it and the crews did not trust the product as much as they should have. Mr. Redmond said that after the first snow storm "... I am going down there and do an inventory". He anticipates a reassessment of the use of the magic ice which costs \$90.00 per ton, where salt is \$78.00 per ton, which is mixed with sand which costs \$20.00 per ton.

Mr. Ulmer asked why so much more in 2009 than in 2008 and 2007 in the special revenue fund, and Mr. Redmond responded that it was just a decision that Pete (Peter Hill) made. He added that the Town gets about \$180k from the State every year.

UPDATE ON BAN (Bond Anticipation Note)

Mr. Redmond said he is putting together the offering statement for the bond anticipation note for mid December in the amount of \pm \$5MM at something less than 1% (probably three quarters of one percent) interest with a one-year maturity. Mr. Ulmer asked what the \$5MM consisted of, and Mr. Redmond responded that it was two years of approved capital projects that were not bonded up to the full amount, e.g. legal fees for Bennett's Pond.

Mr. Ulmer: "We need to see precisely what's in this ban."

Mr. Redmond: "I can give you that detail." 2009/2010 capital projects other than Barlow which we don't need any more because we are extending the water main.

Mr. Cascella: “I think it is important that we have a clearly defined list of what we are borrowing for. I am not comfortable with it. I don’t think we should borrow money until we are sure we need to borrow money.”

Mr. Redmond: “It really gets back to the cash-flow analysis. That’s the only way we can know for sure.”

Mr. Ulmer: “Haven’t we already paid for most of these projects?”

Mr. Cascella: “Once we decide to go, it’s two to four weeks, so a 30/60 day delay isn’t going to hurt this. If cash-flow can carry us, let it carry us.”

OLD BUSINESS

NEW BUSINESS

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Cascella and seconded by Mr. Ulmer to adjourn the meeting at 9:50 p.m.

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

Respectfully submitted,
Karen Rodgers, Recording Secretary