

Minutes

Board of Finance Meeting

April 7, 2011

Room 206 7:30 PM

CALL TO ORDER

The meeting was called to order by Chairman Liz Mao at 7:35 PM. All members of the Board of Finance were present. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was broadcast over Channel 79.

Ms. Mao apologized for the recording of the April 5th meeting, which was largely inaudible due to sound problems.

BUDGET DISCUSSION

Board members made final remarks about the Board of Education budget.

- Murry Stegelmann noted that the BoF had added \$107,726 for OPEB funding and \$132,000 in additional heating oil funding. He felt that the BoF should approve the budget, with the proviso that the BoE “should live with its budget” and not come to the BoF later with a deficit funding request.
- Martha Banks also agreed with no BoE cuts but stressed the need to deal more aggressively with Special Education costs.
- Chairman Liz Mao stressed the need for stability in costs. She noted that other towns have reduced the Education budgets.

The Board also discussed the assumed collection rate in the budget and mill rate calculation. Gwen Mogenson proposed increasing the assume rate from 98.5% to 98.9%, which is still conservative and below the actual collection rate in any of the last ten years (the lowest was 99.2%). After some discussion, the BoF agreed to set the collection rate at 98.9%.

Separately, Murry Stegelmann recommended that the Board revisit the fund balance policy and eliminate the concept of appropriating fund balance to reduce the mill rate. The discussion this year about draining reserves, increasing collection rate assumptions and taking a further \$1.1 million from fund balance just to drive down a one-year mill rate increase seemed inappropriate.

He believes that the BoF should be applying the \$1.1 million fund balance appropriation against the RCFNRE fund instead of the operating fund, and adjusting the fund balance policy to delete the reference to reducing the mill rate from fund balance. The Board agreed to discuss/revise the fund balance policy at its May meeting.

BUDGET VOTE

The BoF first voted on the proposed cut list, which included both cuts and additions. The total net cuts were \$1,177,960. Gwen Mogenson moved approval of the cut list. The motion passed 7-0.

Next, Murry Stegelmann moved a formal budget resolution, which is appended to these minutes. Among other things, **the resolution set the mill rate at 12.20, at 3.92% increase over the 2010-2011 mill rate.** The motion passed 7-0.

REFUNDING RESOLUTION

Kate Buch presented a draft resolution of \$50 million to refund certain of the town's outstanding bonds and authorizing the issuance of refunding bonds to refinance such appropriation. The resolution, if approved by the RTM, would grant authority to the BoF to move quickly on future refunding opportunities. Joe Duwan moved approval of the resolution; it passed 7-0.

CLOSE OUT OF RCFNRE ACCOUNTS

Kate Buch presented a draft memo closing out unused amounts in Reserve Funds for Capital and Non-Recurring Expenses (RCFNRE). A number of accounts were to be closed out totaling \$187,046.76, the bulk of which was \$178,396.17 from the FEMA buy-out account. These funds would be credited back to the reserve fund contingency. Kate indicated that all Department heads were aware of these pending close-outs.

Lori Bora moved approved of the memo and account close-outs; the motion passed 7-0.

CAPITAL PROJECTS TO FUND IN 2010-2011

Murry Stegelmann made a motion to fund the gas line to Town Hall and the West Avenue and Intervale drainage projects out of the Infrastructure Contingency Reserve in the current year (they were cut from next year's proposed budget at an earlier meeting). The motion passed 7-0.

NOTE OF THANKS

Chairman Liz Mao expressed her gratitude to all who worked on the budget process this year, including the BoS and BoE as well as Karl Kilduff and Kate Buch. Other members of the BoF expressed their thanks as well.

ADJOURNMENT

There being no further business, Joe Duwan made a motion to adjourn. The motion was seconded and approved 7-0 at 8:12 PM.

Respectfully submitted,

Jon Zagrodzky
Clerk

DRAFT

Board of Finance Budget Resolution

The foregoing budget was approved by the Board of Finance of the Town of Darien at its meeting held April 7, 2011. The following resolutions were adopted at said meeting.

A RESOLVED, that an appropriation of \$ 1,429,575 is hereby made from the Reserve Fund for Capital and Non-Recurring Expenditures for the purpose of meeting expenses of the Town of Darien as shown by the budget this day approved.

B RESOLVED, that an appropriation of \$ 38,798,485 is hereby made in the General Fund for the Selectmen's Operating Budget.

C RESOLVED, that an appropriation of \$ 76,313,805 is hereby made in the General Fund for the Education Operating Budget.

D RESOLVED, that the above appropriations, totaling \$ 115,112,290 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2011 and ending June 30, 2012 as shown by the budget this day approved.

E RESOLVED, that a tax of 12.20 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$ 8,786,059,663 on property as of October 1, 2010, payable in two equal semi-annual installments, the first installment to become due and payable on July 1, 2010 and the second installment to become due and payable on January 1, 2011, provided however that:

1. Any taxpayer may pay both of said installments on July 1, 2011;
2. The personal property tax on motor vehicles in said Town shall become due and payable in one single installment on July 1, 2011
3. Any property tax in any amount not in excess of one hundred (\$ 100.00) shall become due and payable in one single installment on July 1, 2011

F RESOLVED, that the Town of Darien, acting through its Board of Selectmen, and subject to the approval of said Town at the Annual Budget Meeting of the Representative Town Meeting to be held May 9, 2011, be authorized to borrow on the note or notes of the Town the sum of \$ 5,000,000 or so much thereof as may be necessary for the general expenses of the Town pending the collection of either or both of said semi-annual installments of taxes on or prior to June 30, 2012.

G RESOLVED, that the following appropriations for other funds are hereby made as detailed below for the 2011-2012 fiscal year as shown by the budget this day approved.

\$2,938,857 Sewer Operating Fund for the purpose of meeting expenses of the Town of Darien, Sewer Commission

\$ 550,000 Sewer Assessment Fund

\$ 75,947 Animal Control Fund

\$ 668,341 Parking Lot Administration Fund

\$ 201,199 Parking Lot Capital Fund

Jon Zagrodzky, Clerk
Board of Finance

DRAFT