



Town of Ridgefield

Approved Board of Finance Meeting Minutes

Tuesday June 18, 2024

I. Call to order

Dave Ulmer called the Board of Finance meeting to order at 7:00 PM on Tuesday June 18, 2024 in the Town Hall large conference room. Board members Dave Ulmer, Mike Rettger, Joe Shapiro, Greg Kabasakalian, Andrew Okrongly present.

Others Present: Jane Berendsen Hill, Tax Collector

II. Comments from Public

None

III. Approval of Minutes

Motion to approve minutes as amended for May 14, 2024 meeting.

Motion by Mr. Rettger

Seconded by Mr. Okrongly

Vote: All in favor

IV. BOE Report

BOE members and staff were not present. BOF members reviewed and discussed the BOE financial report which was distributed prior to the meeting**.

V. Treasurer's Report

Ms. McGeehin was not present. BOF members reviewed and discussed the Treasurer's report for May 31, 2024 which was distributed prior to the meeting.**

VI. Tax Collector's Report

BOF members reviewed and discussed the Tax Collector's report which was distributed prior to the meeting.** Ms. Berendsen Hill doesn't expect to meet budget on interest as the tax sale last year has had an impact. She is forecasting an overall favorable to budget result of \$250,000 - 300,000 for the current fiscal year.

VII. Controller's Report

Mr. Redmond was not present. BOF members reviewed and discussed the Controller's report, which was provided prior to BOF meeting.** It was noted that the current budget variance forecast for the fiscal year is indicating a favorable result that would be approximately \$800,000 higher than the FY forecast used in the budget deliberations in April. At that time, the BOE favorable variance was forecast at \$500,000 rather than the current estimate of \$1M, and spending for the town was assumed to be even vs the current positive variance projected.

VIII. Old Business

1) ARPA Account/WPCA

The members continued the discussion from the previous meeting regarding the treatment of funds from the sale of the auxiliary sewer plant land relative to the ARPA account. The members reviewed a Statement of Understanding that was drafted by Mr. Rettger, documenting that sale funds, if and when realized, would belong to the town and not be due to the WPCA.

Motion to adopt the "BOF Statement of Understanding" regarding sale of land for the auxiliary sewer plant relative to the ARPA account, as drafted and discussed. (A copy of the Statement is incorporated into these minutes as an attachment.)

Motion by Mr. Shapiro

Seconded by Mr. Okrongly

Vote: All in favor

2) Unclaimed Property for Town/Schools

Mr. Rettger reported on some recent research on unclaimed property of the town and the school district held by the State Treasurer. He thanked resident Debra Franceschini for her suggestion to use a student from the high school intern program to do the research, and thanked intern Rian Malhotra for his work doing the research. About 35 items were found, primarily in smaller amounts (including ones for several school PTAs and RHS class fund accounts), so that the search is now up to date. Based on the inventory of items found in this search as well as prior searches done by the treasurer and the school finance director last year, there is no indication that the various unclaimed items that have turned up are the result of material process or control gaps in handling payments.

IX. New Business

1) Guidelines for Capital Budget Items

The members discussed the merits of clarifying guidelines for items to be considered in the capital budget, vs being in operational budgets. Each BOF member will develop his thoughts on dollar thresholds, useful life expectancy, and other suggested parameters, to be further discussed at the August BOF meeting.

2) Other New Business

Mr. Rettger noted that there still needs to be a Town Meeting to consider approval of the HVAC requests from the BOE that were approved by the BOF in late 2022 and late 2023. He, Mr. Redmond, and Mrs. Browne will be meeting this week to determine the remaining steps required to complete this approval process.

Mr. Okrongly reported that as a follow up to the discussions at the last BOF meeting, he and Mr. Redmond had a call with Phoenix Advisors, the town's bond advisor, concerning the Moody's credit rating guidelines. Based on the discussion, the unassigned fund balance policy adopted earlier this year seems in line with the broad parameters of that rating methodology, and no specific further action appears needed at this time by the BOF.

Mr. Okrongly reported that the Pension Commission has selected State Street Bank as its new investment advisor and administrative payments processor. The Commission is currently in contract negotiations with the assistance of town legal counsel.

X. Adjournment

Motion to adjourn at 8:15 by Mr. Rettger, seconded by Mr. Okrongly. All in favor.

Next meeting August 20, 2024.

Respectfully Submitted by
Mia Belanger

** Material that were distributed in advance of the meeting in the BOF members' packets are maintained on file in the Controller's office.

Attachement 1 to BOF Meeting Minutes, June 18, 2024
BOF Statement of Understanding – As Adopted
WCPA / ARPA Funding
Disposition of Potential Land Sale Proceeds – Auxiliary Sewer Plant

Background

- 1) In September 2021, the Board of Finance was asked to consider a proposal by the Board of Selectmen to allocate \$3.4 million of ARPA funds to the Water Pollution Control Authority (WPCA) for Phase 2 of the sewer plant expansion project, due to project cost increases arising from schedule delays and supply chain disruptions caused by the Covid situation over the prior 18 months. (The amount of the request was subsequently reduced to approximately \$2.9 million.)
- 2) As part of its presentation on the request, the WPCA outlined various sources of funds that might reduce the eventual final cost of the project, including existing project contingencies, possible state grants, and other external sources. Based on this information, the resolution adopted by the BOF supporting the request included the provision that approval was “subject to the understanding that any grants, offsets, recoveries, or other revenues that are received associated with the Phase 2/Route 7 portion of the project, as well as all savings from the project contingency amounts for both portions of the project, are to be applied to the additional costs and thereby be used to reduce the total draw of ARPA funds that are ultimately required.” Reference to this language was included in subsequent BOS discussions of the request and in the Town Meeting which approved the request.
- 3) Among the potential recoveries that were suggested by the WPCA was the money from the sale of the land under the auxiliary sewer plant off Route 7. [The project plan called for the decommissioning of the auxiliary plant and the eventual sale of the underlying property following remediation.]
- 4) Although it was not clear at the time of the initial discussions, it has since been recognized that while the sewer plant was the property and responsibility of the WPCA, the land under the plant did not belong to the WPCA but rather belongs to the Town. Thus, the mention of the land sale as a possible source of offset for the WPCA was incorrect.

Interpretation/Position Regarding Potential Sewer Plan Land Sale Proceeds

The “offset” provision of the resolution approving the use of ARPA funds for the WPCA sewer project was intended and should be read to say that any recoveries or project savings that accrued to the benefit of the WPCA would be considered reductions from the estimated project cost, and would be returned by the WPCA to the Town to replenish the ARPA account.

Given that the land for the auxiliary sewer plan does not actually belong to the WPCA, the WPCA would not be entitled to any proceeds from the sale of the land, thus would not receive these funds, and in turn would not be in a position to return the funds to the Town ARPA account.

Rather, any sale of the auxiliary sewer plan land would be actually a sale of Town land, the proceeds from which would go directly to the Town. Such proceeds, if and when they develop, should not be considered as an offset to the WPCA project, and should be taken into the Town’s general reserve account rather than be booked to the Town’s ARPA account.