

APPROVED MINUTES
BOARD OF FINANCE REGULAR MEETING
January 15, 2008
6:30 PM –Room 206

The meeting was called to order by Chairman Murry Stegelmann at 6:35 PM. All members of the Board of Finance were in attendance except for Mr. Tom Volpe. Kate Clarke Buch, Finance Director, also attended. No members of the public attended, nor was the meeting broadcast.

TRANSFERS UNDER \$5,000:

Peter Hovell reported that the new animal control van was in the budget. Mr. Hovell moved that the Board approve the request for the transfer of \$3,300 from the Police Vehicles account to the Animal Control Van Replacement account. The motion was seconded and passed unanimously, 6-0.

CONTINGENCY TRANSFERS:

Presidential Preference Primary: Martha Banks moved that the Board of Finance approve moving \$8511 to fund a presidential primary. The following transfers were therefore voted on.

From	10107661-82008	Printing	6,060
	10107661-82033	Program Expense	5,264
	10704000-86600	Contingency	8,511
To:	10107661-81002	Part time	1,473
	10107661-81003	Seasonal/Temp	15,430
	10107661-82001	Travel	23
	10107661-82007	Prof Serv	888
	10107661-82026	Rental Exp	402
	10107661-83001	Office Supp	797
	10107661-83008	Food	797
	10107661-83009	Small Tools	25

The motion to approve was seconded and unanimously approved, 6-0.

Department of Public Works: The department is requesting \$31,000 out of contingency to pay for emergency road repairs made as a result of the October 11, 2007 floods. Kate Buch reported that the First Selectwoman had declared an emergency so this is emergency spending. Peter Hovell questioned whether it was a declared emergency and was there an endorsement from the First Selectwoman for the transfer. Peter Hovell then moved to approve the transfer. The motion was seconded and passed unanimously, 6-0.

FINANCIAL REPORT:

Kate Buch then reported on the Financial Report. The bond sale for \$19.5 million went smoothly at a better than expected interest rate of 3.63 percent.

The Board then was referred to the management letter for the Financial Statements of the town of Darien. Kate Buch discussed the exposure to subprime debt in the town's pension plans. It was noted there is a pension meeting on January 22, 2008. Tom Volpe is the Board of Finance representative to the Police and Town Pension Committees. Kathy Hammell is the Selectmen's appointee.

DISCUSSION ABOUT POSTING DELINQUENT TAX LIST ON THE TOWN WEBSITE:

Following a discussion, Martha Banks moved that it be the sense of the Board that the Board of Finance is in favor of a policy of posting delinquent (defined as in arrears more than 90 days) motor vehicle taxes on the town's website, and that she be authorized to go to the Selectmen about the subject. The motion was seconded and approved unanimously, 6-0.

APPROVAL OF MINUTES:

Gwen Mogenson moved that the draft minutes of the December 11, 2007 meeting be approved. The motion was seconded and passed unanimously, 6-0.

MOTION TO RECESS AND REASSEMBLE AT BOARD OF EDUCATION MEETING

Peter Hovell moved that the Board of Finance recess and reassemble in the Board of Education's Conference Room. The Board agreed.

At approximately 7:30 PM, the Board of Finance reassembled in the BOE Conference room. John Boulton, Chairman of the Board of Education, recognized the presence of the Board of Finance and invited comments. Chairman Murry Stegelmann delivered prepared remarks, which are appended hereto and incorporated by reference to these minutes. Liz Mao, Peter Hovell and Gwen Mogenson then briefly addressed the Board of Education and the members of the public attending.

Mr. Boulton assured the members of the Board of Finance that he and the other Board members understand that the town has a lot of projects to consider this year.

At approximately 8 PM, the Board of Education returned to its regular agenda.

Respectfully submitted,

Elizabeth Smith Mao, Clerk

REMARKS OF MURRY STEGELMANN – JANUARY 15, 2008

We are happy to be able to have this opportunity to talk with the Board of Education in the beginning of your budget season.

Mr Fiftal and Mr. Huot have put together a voluminous budget package this year. I do note that this the first one by Mr Huot here in Darien, and I give him credit for his thoroughness. I also give credit to Mr Fiftal for surfacing many initiatives for the Board to consider for this upcoming year.

Now it is your turn as a Board to sift through all of the information and proposals that the administration has made, and then make recommendations to us on the Board of Finance, to the RTM, and to the residents and taxpayers in Darien.

The town of Darien has been, and will continue to be, very supportive of a strong school system. For many, it is one of the major reasons why they decided to move to Darien. We as taxpayers have supported renovations of all the elementary schools, substantial improvements to the middle school, a brand new high school, and now a new Tokeneke School. We as a community have used the requirement to meet a rising enrollment as an opportunity also to upgrade our facilities to a level of which we can be proud.

More importantly than just facilities, we have also invested in a good staff. As Mr. Fiftal noted the other night in his overview remarks, our teachers and administrators are well paid, having salary levels that are at, or above, the levels of the other districts in Fairfield County.

Which brings us to this year's budget context. As you are aware, the Board of Education represents 63% of the total budget of the town of Darien. Including the debt service on the schools, it is 73% of the budget. Decisions made on the Board of Education budget are the primary factor in determining the mill rate for the town of Darien. The administration's proposal of an 8.8% increase in operating funds combined with the Tokeneke debt service implies a staggering mill rate increase for next year.

Meanwhile, the same issues of deferred maintenance that led to creaky schools a decade ago are catching up with the town. The police station is in need a major renovation and the storm water drainage system has shown to be stressed. The residents of Darien have spoken loudly that the town needs to take steps, and take them quickly, to reduce the flooding problem that Darien faces. The flood mitigation steps are going to be very expensive for the town. And the town's financial flexibility has been reduced by our increased debt load. This morning the town of Darien undertook a \$19.5 million debt issue, primarily for Tokeneke school, that pushed our bonded indebtedness over \$100 million. When John Boulton and I joined the RTM in December of 1996, the total debt was only \$30 million by comparison.

In this budget environment, I ask you to be mindful of the other financial burdens that the town is facing. Many constituents have asked me on how a 1% enrollment increase could result in an 8.8% spending increase. How 46 more students could lead to a headcount increase of 25. I don't have a good answer for them. I would be especially careful in headcount additions in the context of enrollments that are plateauing.

In summary, I believe that this year's budget needs to be based on what expenditures are "necessary", not on what initiatives would be "nice to have." We on the Board of Finance are hopeful that you will take a critical look at everything in this year's budget. As I have said before, not everyone in Darien is wealthy. Many struggle to make ends meet. Even those people in town who might have felt secure a year ago, are watching a financial market meltdown that is putting their jobs at risk; a real estate weakening that has put their home value under pressure; and the potential for a recession. It is for those people that I ask you to be mindful as we go forward.