

**RTM Finance & Budget Committee Draft Minutes for regular scheduled meeting**  
**04/23/12**

Quorum with 10 of 13 members present.

Present: K. Hoffman, T. Duffy, D. Ritchie, A. Rycenga, R. Tierney, J. Davis, B. Orr, B. Smith, M. Thorne, T. Schwarz.

Absent: C. Brode, J. Sini, J. Palen

Guests: Chairwoman BOF -Liz Mao, Darien Finance Director - Kate Buch, Superintendent - Steve Falcone, BOE members: Chairwoman -B. Hagerty-Ross, M. Harman, H. Shea, C. Sartori, members of public, and press. Channel 79 covered the meeting.

Meeting called to order by Chairman Bruce Orr at 7:37 pm.

In addition to the announced agenda a few items were added to the agenda for discussion if time allowed: A gift referral to the senior center from an estate, a gift referral from the Darien Little League to upgrade a baseball field at Cherry Lawn, The "closing out" of the building costs for the High School and Tokeneke School.

\*We did not have resolutions for these items.

Kate Buch and Liz Mao gave an overview of some of the items reduced from the overall budget and items moved around to achieve the final BOF approved budget. The BOF on 4/12/12 had unanimously approved the 2012/2013 total town budget of \$120,234,536. This is a net year over year mill rate increase of 3.93% for a rate of 12.68 (vs. 12.2 last year). To achieve this, the BOF reduced the "recommended" Capital and BOE budgets by about a net -\$2,200,000. Some of these reduction items were:

- Approximately \$610,000 was moved to a Middlesex Middle School roof repair account. These monies came from previously budgeted capital items which were completed (closed out) lower than the previously approved budgeted costs. There were also funds from projects which were not executed at all. These projects may have been contingent on grant monies to move forward and without the grant the monies were not used. An Additional \$150,000 was moved from the infrastructure reserve fund to this account, to fund the estimated \$750,000 cost of the roof repairs. This will allow the project to be funded in the current fiscal year, thus allowing the project to start now and effectively reduce the 2012/2013 budget and reduce tax rate accordingly.

- Approximately \$1.01 million dollars were saved from debt service mechanics: \$670,000 in savings came from principal savings and \$348,000 in interest payments savings. This was based on more favorable terms and conditions of the recent underwriting and sale of \$14 million in Town general obligation bonds.

- There were healthcare savings from bidding out and changing carriers for Town employees for \$275,000 and library employees of \$17,000.
- BOF opted to move \$110,000 from the capital contingency fund to pay for the Fire Departments drill tower in the current fiscal year and remove it from the 2012/2013 budget.
- BOF reduced the amount of \$117,000 from the proposed capital budget for security cameras at the schools.
- BOF had \$175,000 reduced from OPEB (Other Post Retirement Employee Benefits) expenses for the BOE budget. This amount was the result of estimated payments to benefit plans and had not been compared to final actuary contribution numbers when the budget was originally estimated, therefore reducing the BOE operating budget by the above amount.
- BOF reduced the overall BOE operating budget by \$165,000. It will be up to the BOE to discuss how to manage this and the above reduction at their May14th budget meeting.

There was a good amount of discussion between committee members and the guests regarding the overall budget. The seemingly ever ballooning SPED costs generated (as usual) an active discussion: Chairman Orr pointed out that for the “average” taxpayer paying \$11,000 in annual taxes, the first 14% or \$1,500 in taxes goes to SPED. The BOE and the Administration noted that the last year, SPED costs rose “only” about 5.6% vs. double digit increases in the past 5 or so years. They are committed to putting in place both policies and procedures and establishing a culture that will drive towards continued efficiencies in the program.

There was also a discussion regarding the "close out" of the High School and Tokeneke School construction accounts and the State audits for building grants, which show a shortfall of about \$950,000. The BOF recently authorized a transfer from the General Fund to over this shortfall. A resolution on this transfer will be referred to the RTM for approval and will be discussed further at the next F&B meeting scheduled for May 7<sup>th</sup>, 2012.

The discussion on the BOF recommended budget and the issue related to the above shortfall prompted an active discussion on the Town’s General Fund Balance. After the transfer and the ‘12/’13 budget approval the Fund Balance will drop from 14% of annual revenues (~\$17 million) to 12% (~\$14.5 million, still well within the BOF guidelines)

Chairman Orr thanked our guests and the various board members for their time spent on the budget.

The meeting was running long. With three committee members absent and a lack of resolutions on several items (gifts and construction transfer) it was decided to approve the

previous minutes and discuss the added agenda items at the next F&B Committee meeting scheduled for May 7, 2012. At this meeting there will be further budget discussion and action taken prior to the RTM scheduled meeting for May 14, 2012.

Chairman Orr motioned to adjourn at 9:48 pm and was seconded and approved by all.