

**REPRESENTATIVE TOWN MEETING
TOWN OF DARIEN, CONNECTICUT
FINANCE & BUDGET COMMITTEE
“DRAFT”**

Minutes of a Special Meeting Held on April 28, 2009

On April 28, 2009, a special meeting of the RTM Finance & Budget Committee was held in the Town Hall Auditorium with eleven of fifteen members present.

Present were:

Charles Brode
Terry Duffy
Ted Hawkins
Andrew Millar
Bruce Orr
John Price
Anita Rycenga
Bill Smith
Marc Thorne
Reilly Tierney
Virgil Wenger

Absent were: Harry Artinian, Barry Baldwin, Jack Davis, and Michael Rudnick

The Chairman, Bruce Orr, called the meeting to order at 7:39 p.m. Guests present were Elizabeth Smith Mao and Jon Zagrodzky from the Board of Finance, Louise Berry Director of the Darien Library, Al Gray Assistant Director of the Darien Library, Dot Kelly, Dick Huot District Finance Director and Heather Shea of the Board of Education.

Bruce Orr opened by saying that if we felt the need after tonight's meeting we could schedule a special meeting prior to May 11, 2009 RTM meeting and continued by thanking everyone present on the RTM F&B committee for their work during the budget season as well as their attendance at many of the meetings throughout the process. He reminded the committee that the role of the RTM will be to accept, reject or reduce the budget.

The meeting began by reviewing the summary of the reserve fund for capital and non-recurring expenditures totaling \$6,989,485. Anita Rycenga began by questioning the BOF infrastructure line item of \$703,000 and Liz said that \$303,000 included in there was anticipated income from the stimulus program and the \$400,000 balance is what goes in each year towards the road repaving program. Anita continued by asking about the Fire Commission's apparatus replacement reserve and wondered if efforts are being made to coordinate the purchases among the various fire houses so that economic benefit can be realized. Jon Zagrodzky said that he met with the Fire Chief and asked questions about requests, particularly an expensive air compressor tank refilling unit and was told there would be logistical difficulties in sharing it but assured us that efforts are continuing to be made to contain costs. Marc Thorne asked what the Walsh System upgrade line item of \$58,469 represented and was told it is for the updated tax assessor's software. It was noted that the capital items are not in the total budget so the mill rate/taxes are not increased by them. Funds are appropriated from the general fund for capital items.

John Price requested that a schedule of Town fees be prepared/presented during budget review in the future in an attempt to manage the revenue side of the budget as well as the expense side. He is under the impression that the RTM Rules Committee has made such a request and that some cross referencing is needed with the various Town ordinances that govern said fees. Anita Rycenga questioned the BOF's general approach to the revenue side of the budget particularly items such as conveyance fees and others that have and may continue to drop significantly due to the nature of the economy. Liz and Jon said that the BOF was extremely conservative in their assumptions with respect to revenue stream and even adjusted down from the norm the % of anticipated tax revenue collection. Anita asked if the assessment appeals had been considered and adjusted for as well, and Liz explained that the refunds granted in connection with the appeals will impact next year's budget when refunds are processed due to the timing of the events.

Discussion turned to the Darien Library budget which was originally an increase of 6.4%. The budget was adjusted down so that the increase will be 4%. Al Gray explained that the primary impact is the facilities expenses associated with a building that is twice the size of the old library. 2.7% of the increase is attributable to those costs. 1.3% is attributable to increases in health care costs and only a fraction of a percent represents salary increases. The work week has been increased from 37.5 hours to 40 hours. Any pay increases will be held at a 2% rate. FTE's are 29.7 which is less than the old library. The energy use demand in the new building has a run rate that is above what the engineers said it would be and it is being questioned and monitored. Anita questioned how the benefit of the

geothermal system comes into play and was told that basically the facility will not be subjected to the increases of conventional sources over time. Al said that the library's budget represents the same % of the Town's budget as it did in 2004/05. This, another way to view it. Louise was questioned about non resident use and if the State reimburses for that use. She said that non resident use is not up and yes the State does subsidize such use. This may be skewed due to having been closed for six months, however.

Dick Huot began to review some of the components of the BOE budget, that when reduced, got them close to being in line with the 3.5% goal. Included are, going to full day kindergarten, pay to participate, switch from Oxford to Anthem Health for insurance, reduction in fuel costs due to the bidding out process, the energy conservation project, increase in excess reimb. for special ed, scaling back of field trips, and cut in staff development of 50%.

Reilly questioned health care costs and if they will increase and the response yes, that has been the trend industry wide. Dick Huot pointed out that they have had realized a great benefit from utilizing the insurance consultant in managing costs.

John Price asked about pensions and Dick said the State funds the teacher's pension so it is not in the budget. Only non-certified staff is included in the budget.

Bruce Orr asked about stimulus money and Dick said he attended a meeting just today and there were frankly more questions than answers. Many school districts will be getting Title I & II money but Darien does not qualify for that. Stimulus grants will continue to be explored. Proceeds would be for special education costs and the allocation is complicated.

Demographics were discussed next and there has not been a huge influx of high school students from private schools as some anticipated there might be due to the downturn in the economy. K-5 being carefully watched since it was budgeted that the population would be reducing, however with the increase in rental homes the end result will likely be more students. The enrollment update reports are now being done monthly vs. quarterly so as to stay on top of developments. There are ten new special education students coming in that are not in the budget.

Ted Hawkins asked about the last \$215,000 to be cut and Heather said it would be coming from RC11 but specifics not yet known. He then asked where the 3.5% increase goal came from and Heather said it came from the BOF and Liz suggested it was put forth in the five year plan by the BOE.

It was suggested that they go into future budget years giving the administration some guidelines with respect to desired percentage increases but Heather suggested that while that is the way it is in the business world she has concerns that some good ideas might be missed.

Terry Duffy wondered if bus runs could be scaled back and the response was that this is something that is State mandated therefore not feasible.

Dick Huot and Heather Shea cautioned that this year's budget should not be viewed as their "run rate".

John Price asked about the funding of pensions for Town Hall and Liz said that based on the reports and representations shared by Tom Volpe she is satisfied that plans are funded. We have two funds – Town Hall employees and Police Dept.

Bruce Orr called for a vote that we accept the Board of Finance budget as represented in the resolutions adopted at their April 21, 2009 meeting. It was unanimously approved.

The meeting was adjourned at 10:20 p.m.

Dated: April 30, 2009
Respectfully submitted,
Anita M. Rycenga, Clerk
RTM Finance & Budget Committee

