

1. BET Budget Comm. Meeting Documents

Documents:

BET\_BUDGET\_COMM\_MEETING\_AGENDA\_02-13-07.PDF  
FINAL\_BET\_BUDGET\_COMM\_MEETING\_MINUTES\_02-13-07.PDF  
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**TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION  
BUDGET COMMITTEE MEETING  
CONE ROOM  
TUESDAY, FEBRUARY 13, 2007  
6:30 PM**

**REVISED AGENDA**

**Requests for Budget Adjustments**

<b><u>Number</u></b>	<b><u>Department</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
ED-6	<b>Board of Education</b> A6201792-52220	<u>\$ 475,847</u>	Additional Appropriation Electric Service
FL-1	<b>Fleet</b> A380-53500	<u>\$ 120,000</u>	Additional Appropriation Purchase fuel (gas & diesel) to 6/30/07
PD-7	<b>Police</b> A213-53640 A213-53640 A217-51100	<u>\$ 21,705</u> 2,805 8,580 10,320	Approval to Use Tactical Firearms Equipment Taser Equipment Taser Training – Overtime
PD-8	<b>Police</b> A213-53640 A213-53640 A217-51100	<u>\$ 75,071</u> 39,250 8,285 27,536	Approval to Use CAPS Firearms System Patrol Rifle Equipment Rifle Training – Overtime
PD-9	<b>Police</b> F217-51100 F217-57050	<u>\$ 10,275</u> 10,126 149	Approval to Use Overtime Services Benefits
PW-4	<b>DPW</b> Z345-59560-27042	<u>\$ 100,000</u>	Release of Conditions Town Wide Space Utilization
LAW-1	<b>Law</b> A140-51400	<u>\$ 400,000</u>	Additional Appropriation Professional & Other – Legal Fees

SE-9	<b>First Selectman</b> P935-57350	<u>\$ 12,600</u>	Additional Appropriation Sabrina Pray vs. TOG
SE-10	<b>First Selectman</b> P935-57350	<u>\$ 13,248</u>	Additional Appropriation DiForio vs. TOG
SE-11	<b>First Selectman</b> P935-57350	<u>\$ 7,500</u>	Additional Appropriation Kerry Dunn vs. TOG
SE-12	<b>First Selectman</b> P935-57350	<u>\$ 25,000</u>	Additional Appropriation Boudreau vs. TOG
SE-13	<b>First Selectman</b> P935-57350	<u>\$ 29,000</u>	Additional Appropriation Spaulding vs. TOG
SE-14	<b>First Selectman</b> P935-57350	<u>\$ 4,858</u>	Additional Appropriation Kovach vs. TOG

Approval of Budget Committee Meeting Minutes for:  
Regular Meeting of the Budget Committee 12/12/06 and 01/17/07

Retirement Plan – Review actuarial report  
Review completed OPEB actuarial report presentation by EFI, Inc.

BET Human Resources Committee report on 2007-2008 budget

Budgetcommmtg 02/13/07

TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE  
MINUTES

Cone Meeting Room  
Wednesday, February 13, 2007

Present:

Committee:

Stephen Walko, Chairman; Edward Krumeich, Michael Mason, Larry Simon

Ex Officio Board Member:

James Lash, First Selectman

Board:

Nancy Barton, William Finger, James Himes, Arthur Norton, Alma Rutgers, Robert Stone, Leslie Tarkington, Peter Tesei

Staff:

Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ed Gomeau, Town Administrator; Betty Linck, Fleet; Chief Jim Walters, Captain Michael Pacewicz, Greenwich Police Department; James Lavin, Retirement Board Administrator; Wayne Fox, Town Attorney; Gene McLaughlin, Assistant Town Attorney

Also Present:

Colleen Giambo, Leslie Moriarty, Board of Education,  
Dr. Susan Wallerstein, Richard Calcavecchio, Greenwich Public Schools;  
Graham Schmidt, EFI, Inc.

The meeting was called to order at 6:30 P.M.

**Requests for Budget Adjustments**

**ED-6 BOE- Additional Appropriation- \$475,847**

Request for additional appropriation:

\$475,847	to	A6401792-52220	Electric Service
\$475,847	from		Contingency

With detailed data on electrical rate structures now available, total district electric service costs of \$2,155,847 are forecast for the 2006-07 fiscal year. The resulting budget line overruns for electric service is estimated at \$475,847. Expenditure estimates for each of the districts 25 accounts encompassing six (6) different CL&P rate structures were computed to arrive at this forecast.

Mr. Calcavecchio explained that usage based on kilowatt hours is roughly equivalent to what was budgeted.

Mr. Simon asked for an explanation of an increase of expected spending of \$2.1 million in 2006-07 to \$3.1 million expected to be spent in 2007-08. The rate increase is only 16.15 cents to 19 cents and does not account for the difference.

Mr. Calcavecchio said that one change is a 20.1% increase in the estimated amount of kilowatt hours to an expected 16.1 million kilowatt hours. Mr. Calcavecchio said that there will be another rate increase July 1, 2007 which is budgeted and another rate increase in January 2008 which is not budgeted.

Based on the dollar amount budgeted for 2007-08, if the July increase affects the BOE similarly on a weighted average basis to what was experienced in January, they will be paying 19.9 cents/kilowatt hour for the first six months. That leaves approximately \$300,000 to account for any increase in kilowatt hour usage. If there is a 6% increase in January, there will still only be a small margin left to handle the increase in kilowatt hours.

Dr. Wallerstein explained that the projected usage in FY 2007-08 increased because of 3 other location with additional air conditioning. New Lebanon, the largest, the North Street expansion and a nominal increase in Parkway School.

Mr. Walko asked about the 2006-07 budget. The request was \$1.68 million, and that was computed using a rate of 12.4 cents/kilowatt hour for approximately 13.5 million kilowatts hours. Mr. Calcavecchio explained that this is an increase budget to budget of 20%. The actual expenditures for 2005-06 were \$1.756 million, an increase of 53% from the prior year.

Mr. Walko asked what steps were being taken to decrease the amount of electricity being used.

Dr. Wallerstein said that Mr. Byrne has been doing closer analysis of usage at different schools. Significant variance in usage is being identified. Tracking electronics have been installed to determine if there are any leaks that are causing usage.

A proposal has been received from an organization that offers services through Connecticut public schools, and has been used with some success in Farmington, Fairfield and Westport. The service guarantees an approach to energy efficiency that involves putting on board an energy efficiency expert. The guarantee is based on the amount that is owed them is subject to the realized savings.

Mr. Calcavecchio said there are plans to look for a third party generator instead of buying through CL&P's rates. Accounts are being reviewed to be sure they are on the most cost effective rate structure that is offered.

There is a standard at which the temperature is kept at the schools.

Dr. Wallerstein said that they are in the early stages of creating an energy efficiency team to try to identify strategies that include employees turning on their own lights as opposed to the custodian turning them on first thing in the morning.

It is the recommendation of the Budget Committee to put this application off until April awaiting further experience.

FL-1 FLEET-Additional Appropriation-\$120,000

Request for additional appropriation:

\$120,000	to	A380-53500	Additional funds to purchase fuel (gas and diesel) to 6/30/07
\$120,000	from		Contingency

This request is made to cover fuel costs for gasoline and diesel. Budgeted gasoline price of \$1.96 and diesel at \$2.12.

In response to a question from Mr. Walko as to what was budgeted for 2007-08, Ms. Linck said that gasoline was budgeted for \$2.17 and the diesel at \$2.26. The gas contract is in effect until December 31, 2007, and the diesel contract will not go into effect September of 2007, and runs through June 30, 2008.

The current gas price is was put in at \$2.15, but it is closer to \$2.16.

Consumption averages approximately 17,000 gallons of gasoline per month, and 10,800 gallons of diesel per month.

In response to a question from Mr. Walko as to new equipment, Ms. Linck said that twelve vehicles in the last eighteen months are in the process of being delivered that are new acquisitions and another 26 pieces of equipment that are new acquisitions. This includes such items as Snow Cats, to remove snow from sidewalks, and tool carts.

It is the recommendation of the Budget Committee to put this application off until April.

PD-7 POLICE-Approval to Use-\$21,705

Request for approval to use:

\$ 2,805	to	F213-53640	Tactical Firearms Equipment
\$ 8,580	to	F213-53640	Taser Equipment
\$10,170	to	F217-51100	Taser Training-Overtime
\$ 150	to	F217-57050	Benefits
\$21,705	from	F213-35017	State Asset Forfeiture

This request is for funds is to allow for the purchase of Tactical Firearms and Taser Equipment, as well as cover the overtime cost of training an additional thirty police officers on the use of the M-26 Taser.

Recertification training for the tasers will take place during on duty hours. An officer is taken off of his regular assignment, and if there are sufficient personnel, that slot is not filled. This training also covers a state required amount of training in less than lethal force options.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

PD-8 POLICE-Approval to Use-\$75,071

Request for approval to use:

\$39,250	to	F213-53640	CAPS Firearms System
\$ 8,285	to	F213-53640	Patrol Rifle Equipment
\$27,137	to	F217-51100	Rifle Training-Overtime
\$ 399	to	F217-57050	Benefits
\$75,071	from	F213-35018	Federal Asset Forfeiture

This request is to allow for funds for the purchase of the CAPS Firearms Training System and Patrol Rifle Equipment, as well as the overtime cost of rifle training for eighteen patrol officers.

This is a firearms training simulator that works on a projection system. Different scenarios can be enacted, and an officer's regular firearm can be used with issue ammunition. It can also be used for long rifle training, up to 100 yards. It can be used indoors or outdoors.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

PD-9 POLICE-Approval to Use-\$10,275

Request for approval to use:

\$10,128	to	F217-51100	Overtime Services
\$ 149	to	F21757050	Benefits
\$10,275	from		Federal Highway Safety Grant

This is request to accept \$10,275 from the State of Connecticut Department of Transportation Division of Highway Safety. This is a 75% matching fund grant through the Federal Government National Highway Safety Grants for the FY 2007 Thanksgiving/Christmas/New Year DUI Enforcement Program which was effective 12/21/06 through 1/1/07.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

PW-4 PUBLIC WORKS-Release of Conditions-\$100,000

Request for release of conditions:

\$100,000	to	Z34559560-27042	Town Wide Space Utilization
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\$100,000 from Z34559560-27042 Release of Funds

Mr. Monelli explained that this is a request for a release from capital funds for the continuation of the office space utilization program at Town Hall. Mr. Monelli would like to accomplish two projects this year. One is the consolidation of Payroll Department into Human Resources. The adjoining Mazza Room has been decreased in size to accommodate this. This work has been done with some of the money that was not subject to release.

The second plan is the consolidation of the Land Use Department/Inland Wetlands/Planning and Zoning in closer proximity to the Building Department. In this plan, a conference room will be created that could be divided in half if necessary. This will involve the relocation of Parks and Recreation into the space currently occupied by Land Use Agencies, and an increase in the Finance Department space by approximately 500 square feet.

Most of the departments had positive feedback with regard to the improvements in space utilization. Some independent office space is being changed to fit the Town Hall standard of "soft wall", or lowering wall heights to increase communications between co-workers and customers.

The timeline for this will be Payroll moving in sometime in mid March, and then the second phase can begin.

In response to a question from Mr. Tesei as to the life span of a layout, Mr. Monelli said that one of the oldest that had been done was the Finance Department in 1998.

The plan for the third floor in terms of usage may include Health and Social Services. Because of possible organizational changes, this is not the focus right now. The third floor encompasses 13,000 square feet.

Mr. Tesei pointed out that a highly customer service oriented department such as the Town Clerk's office could be made more adaptable to the public. Mr. Monelli expressed interest in improving space utilization in the Clerks office, but said that part of this process is getting people to agree to change.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

### **EXECUTIVE SESSION:**

The committee voted unanimously to enter into executive session at 7:39 PM to discuss settlements of legal claims.

In attendance were:  
Roland Gieger: Budget Director  
Peter Mynarski: Comptroller  
Wayne Fox: Town Attorney



Gene McLaughlin Fernando F deArango, Valerie Maze Keeney and Abby Wadler,  
Assistant Town Attorneys.  
Ed Gomeau: Town Administrator  
BET Members: Mssrs. Finger, Himes, Krumeich, Mason, Norton, Simon, Stone,  
Walko and Tesei  
BET Members: Mmes: Barton, Rutgers and Tarkington  
Jim Lash, First Selectman

The committee voted unanimously to conclude the executive session and  
resume the regular meeting at 8:32 PM.

LAW-1      LAW-Additional Appropriation-\$400,000  
Request for additional appropriation:  
\$400,000      to      A140-51400      Additional Appropriation  
\$400,000      from           Contingency

This is a request for the outside counsel account of the Law Department. This appropriation is  
needed to meet attorney fees through the end of the fiscal year. The appropriation has been  
reviewed and approved by the BET Law Committee.

The Committee voted 4-0 to approve the request and forward it to the  
Board of Estimate and Taxation as a routine application.

SE-9      FIRST SELECTMAN-Additional Appropriation- \$12,600

Request for additional appropriation:  
\$12,600      to      P935-57350      Settlement  
\$12,600      from           Risk Fund Balance

This request is for \$12,600 for a property damage settlement in the matter of Sabrina Pray v.  
Town of Greenwich. The settlement was approved by the Board of Selectmen, the Claims  
Committee of the RTM and the Law Committee of the BET. This claim involves damage to her  
automobile when hit by a police vehicle on Arch Street.

The Committee voted 4-0 to approve the request, and forward it to the  
Board of Estimate and Taxation as a routine application.

SE-10      FIRST SELECTMAN- Additional Appropriation- \$13,248

Request for additional appropriation:  
\$13,248      to      P935-57350      Settlement  
\$13,248      from           Risk Fund Balance

This request is for \$13,248 for a property damage settlement in the matter of Diforio v. Town of Greenwich. The settlement was approved by the Board of Selectmen, the Claims Committee of the RTM and the Law Committee of the BET. This claim involves damage to a vehicle due to a fire truck dropping its water hose on the Merritt Parkway.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

SE-11 FIRST SELECTMAN- Additional Appropriation- \$7,500

Request for additional appropriation:

\$7,500	to	P935-57350	Settlement
\$7,500	from		Risk Fund Balance

This request is for \$7,500 for a property damage settlement in the matter of Kerry Dunn v. Town of Greenwich. The settlement was approved by the Board of Selectmen, the Claims Committee of the RTM and the Law Committee of the BET. This claim involves a fall down the stairs at the modulars at Hamilton Avenue School.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

SE-12 FIRST SELECTMAN- Additional Appropriation- \$25,000

Request for additional appropriation:

\$25,000	to	P935-57350	Settlement
\$25,000	from		Risk Fund Balance

This request is for \$25,000 toward the cost of the defense of Boudreau v. Town of Greenwich.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

SE-13 FIRST SELECTMAN- Additional Appropriation- \$29,000

Request for additional appropriation:

\$29,000	to	P935-57350	Settlement
\$29,000	from		Risk Fund Balance

This request is for \$29,000 for the settlement of personal injury lawsuit, Spaulding v. Town of Greenwich, in which a camper broke his leg at the Town's Kamp Kairphree.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

SE-14 FIRST SELECTMAN- Additional Appropriation- \$4,858

Request for additional appropriation:

\$4,858	to	P935-57350	Settlement
\$4,858	from		Risk Fund Balance

This request is for \$4,858 for the settlement of the personal injury case, Kovach v. Town of Greenwich, in which a boy was pushed and injured at a BOE camp.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

**APPROVAL OF MINUTES**

Upon a motion by Mr. Krumeich, seconded by Mr. Mason, the Committee voted 4-0 to approve the Minutes of the December 12, 2006 Regular Budget Committee Meeting.

Upon a motion by Mr. Krumeich, seconded by Mr. Mason, the Committee voted 4-0 to approve the Minutes of the January 17, 2007 Regular Budget Committee Meeting.

**Retirement Plan-Review Actuarial Report**

Mr. Schmidt said that as of July 1, 2005, the cost as a percentage of payroll was approximately 5.2%, and as of July 1, 2006 it is 8.2%. The dollar contribution amount went from \$4 million in FY 2006-07 to \$6.5 million for FY 2007-08. The variables affecting the change in rate from 5.19% to 8.17% are as follows:

Demographic changes: **0.34%**

Salary increases being slightly higher than anticipated due to a change in the data. In the past future earnings were projected based on fiscal year reported earnings; now projections of future payroll are based on the rate of pay that members receive as of July 1.: **0.27%**

New Entrants: **0.17%**

Plan change when the recurring COLA took effect: **0.42%**

Increase in cost because of the contribution rate delay. The cost as of July 1, 2004 was 1% of pay. This was used to calculate the contribution for the fiscal year that just ended. The contribution rate for that year had already been determined as the 5.2%. Because of the delay, if costs rise quickly, there will be a shortfall due to contributions based on a lower percentage than what the current actuarial evaluation tells you what the actual cost is: **0.42%**

Loss due to investment experience: **1.4%**

As of July 1, 2006, the funded ratio of Actuarial Value to Market Value is 101.3%. The annual costs for current employees are approximately 8.5% of payroll.

In terms of future costs, EFI is working with the Retirement Board on a projection study. This is important as there have been changes to the plan in terms of what groups are being covered.

**Review completed OPEB actuarial report presentation by EFI, Inc.**

Mr. Schmidt explained that there are two different sets of results. There are explicit costs for the town and implicit subsidies, which involve the new GASB 43/45 regulation, that say the Town must disclose some liabilities for post retirement, medical and life benefits on their financial statements.

The explicit benefits are credits that are offered by the Town, directly to employees to help them cover the cost of paying their premiums. Explicit subsidies are funded through OPEB and transferred to the General Fund to pay for these costs. The cost as a percentage of payroll was 4.3% last year. Costs this year were also 4.3%. There were some changes to the number of people selecting single versus married coverage. The net impact of the assumption changes was to lower the cost as percentage of payroll from 4.3% to 3.9%.

This covers the payroll for all Town employees other than instructional aides. Projected costs for FY 2007-08 are \$3.1 million, slightly below last year, \$3.2 million. This is using a 7% assumption to discount the liabilities.

These assets right now are not currently in a trust fund, but in an account of the Town. GASB says that if the assets are used to offset the cost of the liabilities, they must be in trust fund or trust like vehicle.

For explicit plus implicit costs for the Town, the total accrued liability was \$49.1 million. The old assumptions total was \$51 million, and new assumptions are \$84 million. This was due to some assumption changes and the inclusion of the BOE. The BOE accrued liability is \$25.8 million for the actives; for the retirees and beneficiaries it is \$13.8 million.

There is an unknown liability in terms of pre-65 teachers who are already retired. There was not sufficient time to determine how many retired teachers who have yet to reach the age of 65 are not eligible to receive Medicare. The Town will determine this population before the next OPEB valuation.

If all the liabilities were discounted at 4%, the accrued liability would increase from \$84 million to over \$135 million.

The projected cost for 2007-08 based on the two discount rates is \$9.8 million.

Mr. Simon asked what the town credit would be for 2007-08 in terms of dollars the Town would spend for the credit. Mr. Schmidt said that this would be \$1.2 million. Special rate agreements within the town affect the credit.

**BET Human Resources Committee report on 2007-08 budget.**

Ms. Tarkington provided a preliminary report. Based on meetings with the First Selectmen with regard to the 2007-08 budget, the Budget Committee is preparing comments addressed to the Budget Committee and expects to provide the comments by the end of the following week.

A full report will be provided prior to Consolidation Day. Changes relative to the Table of Organization will be the focus.

There being no further business before the committee, upon a motion by Mr. Mason, seconded by Mr. Simon, the Committee voted 4-0 to adjourn the meeting at 9:43 P.M.

Respectfully submitted,

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Valerie Zebrowski, Recording Secretary

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Stephen G. Walko, Chairman



**TOWN OF GREENWICH**  
**BOARD OF ESTIMATE AND TAXATION**  
**BUDGET COMMITTEE MEETING**  
**CONE ROOM**  
**TUESDAY, FEBRUARY 13, 2007**  
**6:30 PM**

**REVISED AGENDA**

- |    |  |                     |
|----|--|---------------------|
| 1. | Call to Order and Pledge of Allegiance | <b><u>Votes</u></b> |
| 2. | Consideration of Applications:         |                     |

**Requests for Budget Adjustments**

**NON-ROUTINE APPLICATIONS**

<u>Number</u>	<u>Department</u>	<u>Amount</u>	<u>Purpose</u>	
ED-6	<b>Board of Education</b> A6201792-52220	\$ <u>475,847</u>	Additional Appropriation Electric Service	No Vote
FL-1	<b>Fleet</b> A380-53500	\$ <u>120,000</u>	Additional Appropriation Purchase fuel (gas & diesel) to 6/30/07	No Vote

**ROUTINE APPLICATIONS**

PD-7	<b>Police</b> A213-53640 A213-53640 A217-51100	\$ <u>21,705</u> 2,805 8,580 10,320	Approval to Use Tactical Firearms Equipment Taser Equipment Taser Training – Overtime	4-0-0
PD-8	<b>Police</b> A213-53640 A213-53640 A217-51100	\$ <u>75,071</u> 39,250 8,285 27,536	Approval to Use CAPS Firearms System Patrol Rifle Equipment Rifle Training – Overtime	4-0-0
PD-9	<b>Police</b> F217-51100 F217-57050	\$ <u>10,275</u> 10,126 149	Approval to Use Overtime Services Benefits	4-0-0
PW-4	<b>DPW</b> Z345-59560-27035	\$ <u>100,000</u>	Release of Conditions Town Wide Space Utilization	4-0-0

LAW-1	<b>Law</b> A140-51400	<u>\$ 400,000</u>	Additional Appropriation Professional & Other – Legal Fees	4-0-0
SE-9	<b>First Selectman</b> P935-57350	<u>\$ 12,600</u>	Additional Appropriation Sabrina Pray vs. TOG	4-0-0
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SE-13	<b>First Selectman</b> P935-57350	<u>\$ 29,000</u>	Additional Appropriation Spaulding vs. TOG	4-0-0
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