

1. FINAL Minutes BET Budget Comm. Decision Day

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TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
BUDGET COMMITTEE
DECISION DAY
MINUTES
Cone Room
February 14, 2006

Present:

Committee: Stephen Walko, Chairman
Edward Krumeich, Michael Mason, Larry Simon

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ed Gomeau, Town Administrator; Wayne Fox, Law Department

Board: Nancy Barton, James Himes, Alma Rutgers, Robert Stone,
Leslie Tarkington

Board Ex Officio: James A. Lash, First Selectman

Mr. Walko called the meeting to order at 9:05 A.M.

Discussion of Budget Assumptions: CAPITAL

1. Parking Garage: The discussion began as to whether the Budget Committee should recommend funding for a parking garage, and the \$2 million operating expense taken out of the parking fund.

Mr. Walko does not support the parking garage.

Mr. Mason believes that most residents don't want a parking garage structure in town. Also, the maintenance of such a structure has not been taken into consideration. This is an added expense that has not been put into the equation.

Mr. Krumeich is in favor of the parking structure and the use of the parking fund to pay for it. Although some people are against the idea of development of the downtown business area, there is a need for additional parking, especially during shopping hours. The parking fund was set up with the purpose of providing additional parking spaces for the downtown central business district, but has been used for other things in past years.

Mr. Simon has concern about adding more projects to the Capital plan. There has been considerable discussion about a multi-level structure vs. a double level structure. Everyone wants to see more parking available downtown. The funds are available to address the parking issue, but adding the construction of a parking garage to a list of numerous other projects may not be the best way.

Mr. Lash reminded the Commission that when he ran for election 2 years ago, the parking issue was one of the top 3 items in a poll that was done. There was a substantial majority of people who felt there was a need for more parking downtown, and at that time he wanted to bring forward a well thought out proposal of reasonable cost. It is more expensive to build many two story parking structures as opposed to one multi-level structure. If this structure is built, the proposed cost is approximately \$30,000 per space. The money is in the budget to do the project, the question is whether the DPW has the time to do it.

Mr. Lash would like to see this item stay in the budget, go to the RTM and let them vote on it in their role as representatives of people in the town. Business owners have a difficult time having customers come to them due to a parking shortage.

Mr. Walko is optimistic that at some point there will be other areas to consider with respect to parking. With the expected disruption in the downtown area caused by the construction of the public safety complex, Mr. Walko feels that this is not the appropriate time to consider construction of another major structure. While this is not a financial question, it has financial implications.

Mr. Walko asked for a vote to recommend to the BET, Parking Fund Project #1, \$6.4 million for the downtown municipal parking facility. The vote was 1-3-0 (Krumeich in favor, Mason, Simon and Walko opposed) to placing this item in the 2008 budget.

2. Public Safety Complex: Mr. Walko asked that Mr. Lash speak with regard to the Public Safety Complex project, and the \$33 million cost for the first phase of it.

Mr. Lash said that for the police building and the parking structure, the estimated cost would be \$33 million (an increase of \$2.5 million from previous estimates). The adjoining parking structure is being built to meet the minimum requirements for cars for all of the town employees that will work in neighboring buildings (Police, Fire, GEMS). This includes personal cars and marked vehicles and the personal cars of the people that work in the senior center. That frees up approximately 14 spaces for public parking.

The police building was first discussed in terms of a structural requirement in a consulting report by PAS, who specializes in studies of public safety organizations. Their report contained suggestions for operational changes for the police department. The conclusion was that the police was in a building that was not large enough. A plan laying out all of the functional areas with space requirements was put together prior to the year 2000.

In 2001, another study was done, possibly at the request of the BET. A firm specializing in police departments came back with a functional space requirement that they felt satisfied the town's current needs and also allowed for an approximate 20 year growth period.

A year and a half ago an advisory committee was formed, which included representatives from police, fire and GEMS, the RTM, Planning and Zoning, and the Historic Commission. Also present at the Architectural Review meetings were residents from the area being considered as the location for the complex. Five different firms experienced in this kind of project gave presentations, which included design models. One of those groups was selected as the firm that the town would work with.

The police and the fire building have a connector between them for security, and this area also contains the public service windows, so that the public does not access the actual area of operations for either building.

3. Safe Routes to Schools: The total of 3 current safe route projects is \$1,070,000. There is concern that no one is controlling this money or driving the process. The feeling is that DPW may not be spending the money and that the projects are too many. Mr. Walko suggested waiting another year to let the First Selectman evaluate whether DPW is properly performing and using the money on a timely basis. If not, the budgeted amount can be reduced in 2006-07. The process may involve more neighborhood involvement, and progress could be affected by this. It was agreed that a more comprehensive look at this was necessary for next year, and to make any needed changes then. This process should begin with discussions involving neighborhood groups.

4. Hamilton Avenue Building: Bids are due in at the end of the month, and until then it is unclear if the full \$1.8 million will be needed for this project.

5. Security Cameras at GHS: In the initial BOE presentation, the cameras were due to be debated that night. The BOE met and they voted to purchase cameras. The system is digital and allows for 30 days of continuous data capture on 24/7 basis. The \$275,000 covers cameras, monitors and all equipment.

6. Board of Education Maintenance: These numbers seem high, but there can be efficiencies if mutual software is used between the BOE and the town, and we can get the town's buildings on the same maintenance process.

7. Nathaniel Witherell: Mr. Walko requested that Fred DeCaro and Randy Huffman give the Committee their proposal for the subject to release \$3 million (10% of the \$30 million, an estimate of what can be spent and amortized by normal operations). Based on that plan, the ability to pay back the \$30 million, they need to show higher reimbursement rates from the state and lower operating costs. The subject to release should reflect the Committee's acceptance of a business plan showing their ability to pay back that money. There was a question as to if a town subsidy would be necessary.

Mr. Simon pointed out 2 issues: if people are going to vote for the appropriation, they should vote that it's going to be self sufficient; and if it isn't self sufficient then they should vote again for a subsidized appropriation.

The roof replacement and the grinders for the sewage are projects that need to be done to continue day to day operations.

8. Golf Course Plan: The BET would like a copy of the plan for funding and implementation of what the golf course is going to do with respect to bunkers.

9. Sidewalks and highways will be combined into a single line item.

10. Parking Lot Maintenance: There was a question if this should come out of the parking fund. This should be given more consideration.

11. Sewer Maintenance: There are 3 issues with respect to sewer maintenance.

Project #5, the J.J Kennedy Highway facility is being hooked up to the sewer system and this being an improvement to the entire town, should come out of sewer improvement and not sewer maintenance. The entire Committee agreed that this project should be funded out of sewer improvement.

The Master Plan and the Grass Island Routes should remain in sewer maintenance.

12. Town Hall Utilization: At this point, \$1.78 million have been appropriated for the renovation of town hall office space. Mr. Tesei expressed that he wants to see the plans before the money is appropriated. Re-design of some of the office spaces has not been optimal, and there is concern that there was an oversight in design. The estimate to renovate the front lobby and floor corridor is \$200,000, but will likely be less. Mr. Walko would like more detail as to what is being done with that money.

The following condition was proposed for inclusion in the Recommended Budget:

Town Wide Space Utilization

345-59560-27042: \$100,000 Subject to release by the BET upon receipt of a plan for space utilization at Town Hall for the Fiscal Year 2006-07.

There was unanimous consent to condition 50% of the \$200,000 appropriation subject to release upon receipt of plan for Town Hall space utilization for FY 2006-07.

Mr. Walko asked if any other BET members had questions with regard to the capital portion of the discussion.

Ms. Tarkington asked if there would be a marginal increase cost of operations at the Public Safety Complex, as there is an increase in area of 67-68,000 square feet vs. the current location being 25-30,000 square feet. Mr. Lash responded that that he did not expect a significant increase in the cost of operations or the maintenance budget.

He also does not anticipate any regional organization of the three departments (substations).

In response to a question from Mr. Himes, Mr. Lash said at the end of the capital plan that there is an anticipated \$47.2 million capital reserve fund, which will be offset by whatever additional projects came in on the last five years.

In response to a question from Mr. Stone in connection with Nathaniel Witherell, Mr. Walko stated that some subject to release will be put on the \$3 million, but the exact wording is yet to be determined. There is no determination whether the project is going to be a renovation, rebuild or build new. There was a suggestion to make it clear that this be a "place holder", not an endorsement.

Mr. Lash added that the question about financial feasibility is whether TNW is going to achieve substantial operating cost reductions.

Mr. Walko announced that there is a meeting to be held February 16th with Bond Council. Under the current plan in terms of what has been approved for the Capital Budget, there would be a need to finance approximately \$2.5 million. The purpose of the meeting is to review the wording of the resolutions that will ultimately go before the full BET and then the RTM.

Mr. Fox had a discussion with the Law Committee on the resolutions, and the Budget Committee had received a copy of the proposed amended resolutions. Some resolutions were not necessary because state law provided for what the resolutions said. Mr. Fox was asked to look at the certain portions of the resolutions which relate specifically to certain sections of the statute, and to attempt to make a determination of whether or not they are necessary, and share those recommendations to the Budget Committee.

The changes are as follows:

Pg 1

#1-C.G.S 12-408, there is no specific reference to a legislative body therein and there is no requirement that this be kept as a part of the overall resolution.

#3-C.G.S 7-450a, subsection d, specific reference to a legislative body and its right to request and receive a qualified cost estimate; this should remain as part of the overall resolution.

Pg 2

#4-First Selectman, Title 8

#8-Wetlands and Watercourses

#9-Planning and Zoning Commission, Planning Board of Appeals, what they are authorized to pay over; no specific reference that there should be legislative approval; there is no mandate that they must be part of the overall resolution.

Pg 3-No change

Pg 4

#1 through 5-First Selectman as a point person to apply for an accept grants

#4- Specific account; 13a-175b requires legislative body, recommend to keep these resolutions because of the manner in which they are tied into the state statutes.

Pg 5- No change

Pg 6- Greenwich Classification and Pay Plan; this encompasses more than budgetary items and needs to be resolved and evolved over a long period of time by various sources and various parties of the community; after taking a look at what the Pay Plan encompasses, it probably does not belong in the resolution, unless it specifically addresses budgetary items.

Mr. Walko thanked Mr. Fox for his attention to this issue. He suggested that whatever could not be addressed today should go before a meeting of the Law Committee and the BET.

The Committee preferred to not take action and pass on the resolutions and ask the Law Committee to review them again and have the full BET vote on them.

OPERATING:

Mr. Gieger stated that the budget was increased by \$105,000 based on the estimated bank fees that are being paid now, and revenues were increased slightly to offset that.

1. Health care was reduced by \$1.5 million by taking this year's base budget less Anthem amortization payments and inflating that base amount by 9%. This budget does not take into account an expected reduction in personnel head count.

Mr. Gieger made one change with a few people in HSA program, by taking \$10,000 and creating a sub-account to track these payments.

2. Registrars- The cost of electronic voting machines has been eliminated. It was first thought that the state was providing these machines to the town for free, but incorrect wording in the initial RFP paperwork made it necessary to re-bid the whole thing.

3. Workers Comp- The initial budget was to tie into the AON report which showed that the town would be paying \$5.2 million in 2006-07. Workers Comp has been running at a much lower level, so that part was brought down by \$600,000. Even with the reduction, the budget has gone up nearly 10% (\$237,000).

4. Defined Contribution Plan-\$100,000; this is the DC Plan, estimated new hires for next year, Teamsters and GMEA only.

5. Capital- Correction of Mallard Drive sidewalk to the correct amount of \$460,000.

6. DPW- Higher tipping fees based on new rates.

7. Town Clerk Recording Fees- Money collected on behalf of the state is deleted from revenue.

8. Day Care Facility at the Western Civic Center- Rent as part of revenue; the operations plan was created by Parks and Rec, at the insistence of the BET because they did not want to renovate a building if they did not know the use. The recommendation is to eliminate the revenue line in the budget. The current plan for the utilization of space calls for the day care center to be there.

9. Rental of town buildings by the BOE- Error made by not budgeting the cost of custodians.

10. Adjustment in Contribution to Capital Finance Plan- Decreased because of fewer projects; adjustment will be made, and the net amount will go up \$500,000 more in revenue, and \$500,000 net expenses after pay as you go adjustments.

11. Interest increased as an offset to the bank fees.

12. 401K- GEMS withdrawal of \$120,000 cost of new 401K which was incongruent with Town's benefit package.

It was decided that separating consulting fees will be addressed in next year's budget message, setting the guidelines. When the budgets are being put together, this will be placed into a major object code at that stage of the process. Next year, a new MOC will be created for all consulting money.

Human Resources Report:

Ms. Tarkington briefly summarized the outcome of the HR Committee meeting. Mr. Lash was very responsive and offered a lot of supportive information for what he wanted. She reported that the town will be at 4 under last year's budget. Those 4 people resulted from the Rehab business being outsourced and no longer being needed on the staff at TNW.

Nine proposed positions not yet identified will be eliminated.

The headcount as of June 30, 2005 should be 2,423. Next year another 31 positions will be eliminated from the BOE, bringing the number to 2,388.

Mr. Stone made the suggestion that the number for 2005-06 be labeled to indicate 4 from TNW and 9 additional from TNW, and to come up with a separate number for town vs. BOE employees, using subtotals, as the numbers indicated on the available document did not make that immediately clear.

Mr. Walko would like to see these suggestions incorporated, and three separate subtotals will be added: one for the town, TNW and BOE, with the total indicated at the bottom of the document. There will also be a TBD entry, to indicate the 9 employees not yet identified with a footnote to indicate salary savings.

GEMS: After a conversation in the First Selectman's office the day before, it was determined that there was insufficient information to recommend a change in GEMS 401(k) program, and as a result GEMS has withdrawn the requested \$120,000.

The Committee will encourage GEMS to come up with a plan to implement a 401(k) program that is congruent with town hall policies and practices.

Department of Social Services: The DSS is transitioning from the current table of organization to the proposed table of organization. Also, the new EVOLV CS software is going to allow them to come up with better data and allow them to answer some of the Committee's questions. These two components should be included in the subject to release.

Ms. Rutgers, with input from Mr. Simon, had drafted a subject to release containing the following language:

“Showing progress towards Board of Social Services goals of: 1) transition to the new table of organization, and 2) use of the EVOLV CS software to identify the needs and provide a more effective and efficient delivery of social services.”

The Committee unanimously accepted the wording of the subject to release.
The following condition was proposed for inclusion in the Recommended Budget:

A501 to A510 All \$2,224,000, 70% of the departments operating budget subject to release in equal parts in September 2006, December 2006 and March 2007 upon the BET’s receipt and acceptance of a report showing progress toward the Board of Social Services goals: 1) to transition the new table of organization as proposed by consultants Brody, Weiser, Burns and 2) use the Evolve software to identify needs and provide for more effective and efficient delivery of social services.

TNW-The Board discussed meeting with TNW on a quarterly basis: September, December, March and June. Mr. Simon saw an ambitious plan that states expected operating costs and goals for revenue, and wants to keep as informed as possible along the way as to goal achievements. Ms Tarkington would like to see more consistent standards used throughout town agencies, including TNW. She feels that TNW seems to meet a higher standard than other town departments.

Mr. Krumeich suggested tying a quarterly review into a fund they have set up that is similar to the Enterprise Fund, so as to track expenses like an Enterprise Fund. If a condition is imposed it should be addressed in a positive way in the budget message.

In response to a question from Mr. Walko, Mr. Lash believes the \$3 million will be needed after the planning work is done in May, or sometime in June.

No word has been received from Fred DeCaro. The subject to release has not been received. The Committee is looking for a business plan from TNW showing financial feasibility and how they plan on paying back the incurred debt.

The TNW Building Committee has yet to be formed, and will have to be approved by the RTM. Condition to contain language as follows: Based on acceptance by the BET of a business plan from TNW as to how they plan to repay debt incurred.

The following condition was proposed for inclusion in the Recommended Budget:
Nathaniel Witherell Building Committee

450-59560-27126-\$3 million Subject to release by the BET upon receipt and acceptance of a business plan demonstrating how Nathaniel Witherell can repay any debt incurred that may be required to fund the rehabilitation or rebuilding the facility.

Discussion turned to the \$120,000 request that was withdrawn by GEMS.
Mr. Simon suggested reducing the amount of interest income expected by \$120,000.

The following condition was proposed for inclusion in thee Recommended Budget:
GEMS

440-51490: \$1,227,000 Subject to release by the BET upon receipt and acceptance of financial statements from GEMS. Information should be available for the October 2006 Budget Committee and BET Meetings.

The meeting adjourned at 2:42 P.M.

Respectfully submitted,

Valerie Zebrowski, Recording Secretary

Stephen G. Walko, Chairman