1. BET Dept. Reviews Day 6 Documents

Documents:

SUB_TO_APP_BUDGET_HEARING_DAY_6_02-14-18.PDF
APPROVED_BET_DEPT_HEARINGS_DAY_6_02-14-18.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE

DEPARTMENTAL REVIEW DAY SIX FOR FY2018-2019 BUDGET

Town Hall Meeting Room
Wednesday, February 14, 2018 – 9:00 A.M.

Present:

Committee: Leslie Moriarty, Chair; Michael Mason, Jeffrey S. Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Angela Gencarelli, Financial Analyst, Finance Department; Blaise Levant, Senior Business Analyst; Howard Richman, Tax Collector; Lauren Elliott, Assessor

Board: Jill Oberlander, Chair; William Drake, Andy Duus, Karen Fassuliotis, Debra Hess, Elizabeth Krumeich, Anthony Turner, David Weisbrod

Other: Ken Borsuk, Reporter, Greenwich Time

Ms. Moriarty called the meeting to order at 9:10 A.M.

**Fixed Charges** - Mr. Mynarski provided an overview of the Fixed Charges budget ($14,120,800) with the projected overall decrease of $2,682,966 (1.8%) vs. FY18B resulting primarily from the accounting move of $2,830,000 for Non-Public School Transportation from Fixed Charges to BOE Operating Budget. Other reductions were in Healthcare Costs ($1,050,000), Health Savings Account (HSA) contribution ($565,000), OPEB Annual Contribution ($1,078,000), Pension Contribution ($796,000), Contribution to Capital Projects ($1,305,000), and School Lunch Fund Contribution ($360,000). Increases are projected in Property Damage Insurance ($142,000), Debt Service ($4,300,000), Social Security ($238,000) and Risk Fund Contribution ($500,000).

Mr. Mynarski reviewed 10 years of data for each Fixed Charges category. During a discussion of Healthcare costs, Mr. Mynarski identified that the FY19 Budget assumes the Firefighters will join the State Partnership Plan on July 1st. He also indicated that the budget reflects an increase in premiums for the State Partnership Plan of 7% as of January 1, 2019. He indicated the Town will benefit from lower than budgeted healthcare costs of about $3.25 million this year. Mr. Mynarski identified two line items which could be reduced based on additional review – social security and group life insurance. Workers Comp was discussed, but determined to be a volatile expense so no change from the budget was proposed. It was noted that the contract for insurance broker services is near the end of the contract and an RFP has been issued.

Ms. Tarkington proposed that the Budget Committee and BET explore the possibility of basing the sewer taxes on volume of water usage similar to other Towns’. She also recommended that per Town lease requirements, where appropriate, that lessees of Town properties be charged per the Town’s Tax Collector billing, and the BOE include their sewer expense (utility expense) in their budget, not the Town’s.
Revenue Presentation - Mr. Mynarski noted that the First Selectman’s recommended FY19 Budget would be $426,667,729 reflecting a 1.6% increase over previous year and a Mill Rate of 0.32% increase, prior to BET and RTM review and approvals. To finance the FY19 budget, total revenue is budgeted to increase from $408,416,746 to $415,068,909 or 1.63%. This results in a tax calculation of a 1.62% increase in the Required Tax Levy, but given the increase in the Estimated Grand List, the mill rate increase is only 0.32%. The Required Tax Levy takes into consideration revenues lost to tax settlements ($750,000) State Elderly Tax Relief ($270,000), Town Elderly Tax Relief ($950,000), and the estimated loss on collections ($2,477,110) which assumes a collection rate of 99.35%. Mr. Mynarski noted that this would be the lowest mill rate in the State.

Additionally, he pointed out several circumstances that could affect a mill rate change: 1) an increase of tax settlements to $1.5 million would increase the mill rate from 0.32% to 0.57%; 2) an increase in estimated loss from collections; and, 3) a change in a property’s assessed value by the Board of Assessment Appeals. He noted several areas where the BET could adjust the proposed budget for higher revenue based on additional review: building permits, conveyance taxes, LOCIP, side job administration, interest income and the golf revolving fund.

The Committee asked for an update on the estimated Fund Balance for end-of-year FY18. Mr. Mynarski responded that there were several areas that are seeing favorable trends such as higher collection of parking fines, State funding of the Education Cost Sharing, State bridge reimbursement programs, an increase in tax revenue from Grand List property inspections, higher conveyance taxes, higher building permit fees, higher interest income, and cancellation of encumbrances that could result in a positive impact on the Fund Balance, which would be clarified closer to Decision Day.

Assessor - Ms. Elliott began her presentation with remarks about the Grand List. She commented that between the October 1, 2016 and 2017 tax assessments, her department had doubled the number of notices sent to taxpayers about property tax increases. This was primarily a result of the information garnered by Pictometry software, which uses the state flyover as recorded in the Town’s GIS system and digitally compares that information with the Town’s property field cards, and the differential between the two processes that identified property improvements unrecorded by the Town. She noted that 2017 assessed value of Residential Properties increased $238,000,000 and Commercial property $38,000,000. The Board of Assessment Appeal net adjustments for 2017 are currently estimated to be $75,000,000, but the filing period and hearings for BAA adjustments are not yet completed. Ms. Elliott believes it might be prudent to change that estimate to $85,000,000 until the final decisions are made. She then provided a statistical summary of each of the Town’s 12 districts to demonstrate the relationship of assessed value to sales price. She described the value and utilization of Town tax credits offered to Veterans and seniors. Ms. Elliott commented that the capital budget was missing the Revaluation Project for $428,400 and requested it be added.

The Committee discussed whether the Local Senior Tax Relief Program should be adjusted since the $950,000 budget is not utilized. Ms. Elliott indicated the limits are a $1.327 million assessed value of the property and $60,000 maximum annual income. It was noted that this is an Ordinance and change would require the approval of the Board of Selectmen and RTM. Ms. Tarkington indicated that some communities have different mill rates for vehicles, real property and business property; which could change the mix of revenues if used in Greenwich. The Committee discussed the negative impact on tax revenue from non-profit medical networks purchasing local medical
practices. This removes the medical equipment from the tax rolls since it is now owned by a non-profit institution. Ms. Elliott noted that other communities did not have the same policy regarding these assets. If Greenwich were to pursue, it might be a negotiated payment-in-lieu-of-taxes or be challenged in court.

Ms. Elliott added that while the total motor vehicles tax roll had lost 23 vehicles, that its grand list was up $19 million.

Mr. Ramer asked that the Department’s Operations page be corrected to reflect the proper headcount and that the Budget salary accounts be corrected to include the requested staffing. Ms. Tarkington raised the issue of the impact of paid taxes for properties that have received adjustments from Court settlements and that were not credited in FY18.

**Tax Collector** - Mr. Richman began his presentation with steps taken since his assumption of the position’s responsibilities in January: departmental website renovation; institution of Quality Data software processes; use of a lockbox for payments; expansion of on-line payments; extended cashier window hours near payment deadlines; and changes in depository procedures. He cited working with the HR Department on documentation of Job Descriptions, with the Finance Department on correcting the backlog of transactions, and with the Assessor and Treasurer to establish new processes. He indicated he is not requesting a staffing change at this time. He will be reviewing processes and technology to streamline the operations, but he still has a concern whether the current staffing level is sufficient at times of peak demand. BET members responded with the following suggestions: Mr. Mason suggested seeking additional temporary assistance from Finance Department staff; Mr. Ramer proposed increasing Temp hours; and, Mr. Weisbrod suggested developing a 100-day plan that would include identification of changes still to be made in the office’s technology, cross-training, automation and Customer Service areas in order to maximize the productivity of this department.

Before concluding the meeting for the day, Ms. Moriarty confirmed that Mr. Mynarski would provide an estimate of the anticipated Fund Balance next week. Other topics suggested for February 21’s meeting included the Library and the Bruce Museum.

The meeting adjourned at 1:15 P.M.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Leslie Moriarty, Chair
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Committee: Leslie Moriarty, Chair; Michael Mason, Jeffrey S. Ramer, Leslie L. Tarkington

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