1. BET Budget Comm. Consolidation Day Documents

   Documents:
   
   SUB_TO_APP_BET_BUDGET_COMM_CONSOLIDATION_DAY_02-26-16.PDF
   APPROVED_BET_BUDGET_COMM_CONSOLIDATION_DAY_02-26-16.PDF
Mr. Lash called the meeting to order at 9:02 A.M.

TOPICS

NEW LEBANON SCHOOL - Mr. Walko described the new estimate of construction costs of $37.5 million that the Building Committee had received 48-hours ago from the construction management company, Gilbane. The Report covered the cost of the Williams Street Ball Field remediation, the building of modular classroom units and footings for a site where the modulars would be placed. It did not cover the cost of an owner’s rep, which was estimated to be an additional $400,000. Mr. Walko indicated that the Building Committee had briefly reviewed the plan and already value-engineered certain features, reducing the overall cost immediately. Mr. Walko also reported that the price per square foot with all soft costs (including the current year A&E appropriation), modular classrooms and field restoration would be $646.00 per square foot, compared to Gilbane’s estimate of $620.00 per square foot and the architect’s experience in previous schools of $371.00 - $773.00 per square foot. Ms. Kiernan noted that Greenwich
Public Safety buildings cost per square foot were holding at $550/sf. The future school would have 21 classrooms rather than the current 14 plus additional breakout areas and public space based on a demographic study, magnet student additions and three additional pre-school sections that projected the student population to grow from 265 to 374 for grades PreK-5.

The Committee asked how the Building Committee anticipated reducing costs further. The Building Committee advised that the overall building footage could immediately be reduced by 1,200 square feet for breakout rooms, which were not included in the ed specs, but that the State required a minimum of 125 sf per student. Costs were being driven by: site work; portable classrooms; ball field; school entry-bridges; an acoustic wall facing I-95; size of the windows; the installation of sun-shade devices; the city-index construction cost factor and size of the contingency built into the budget.

Dr. McKersie reviewed how the New Lebanon School would have 3 sections of PreK (about 45 students), including those now housed at the Parkway School. One section was previously located at New Lebanon, when it had excess space, but was moved when space became tight. PreK has historically been located in schools with excess space. The Town currently has 12 sections of PreK with 4 sections at Hamilton Avenue, 3 at North Street, 3 at Old Greenwich, and 2 at Parkway. While 95% of children are coming in with PreK experience, delivery may vary. The remaining 5% are children entering kindergarten from outside the District. The District’s PreK programs include special needs students, and a mix of gender and 3 and 4 year olds in the same room. He also commented that there would be 50 magnet school students, currently schooled elsewhere in the District, that are projected to attend New Lebanon. Information on staffing and operational costs for the new New Lebanon School was also requested.

The formula for the percentage of State reimbursement of building costs was considered to be approximately 60% if the school was built to 62,400 square feet – roughly $24.2 million reimbursed by the State and $16.6 million contributed by the Town of Greenwich assuming the new building costs $40+ million. The timing of the project was reviewed with a cash flow forecast showing state reimbursements. Mr. Mynarski explained the state reimbursements would likely be followed by Town bonding in January of 2018. CGA State Representative Bocchino proposed an aggressive timetable for submission of New Lebanon’s plan in order to take advantage of the 2016 Legislative Session’s approval deadlines. The Budget Committee discussed conditioning language that would permit approvals from Greenwich’s BET and RTM that would allow the project to begin in FY17.

ACTUARIAL DISCUSSION (continued from 2/10/16.) - Mr. Stump provided the Committee with additional scenarios for the impact of inflation, return on investment, increased salaries and integration of the Experience Study with several hand-outs. The question considered was the amount of the Town’s FY17 contribution to fund the Retirement System’s ARC. Mr. Ramer offered four scenarios to assist in considering the size of the contribution:

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The BET had referred the question of authority to change assumptions to the Law Department for clarification. During the February Law Committee meeting, the Law Department discussed its February 2, 2016 letter and advised that the BET’s changes to these assumptions must be
reasonable. Upon questioning, Mr. Stump of Boomershine Consulting Group stated that the combination of 7% rate of return assumption and 2.5% rate of inflation was reasonable. Mr. Stump provided a number of $400,000 to project additional wage inflation – a factor not suggested in prior years. Committee members suggested that his past use of actual Greenwich wages already made this unnecessary. In addition, Mr. Stump presented the OPEB contribution (ARC). He used a 7% expected return rate, and 7% increase in health care inflation rate, and amortized the Unfunded Actuarial Accrued Liability over 24 years. He projected the health care inflation rate to be reduced to 4 ¼% in four years.

NATHANIEL WITHERELL - Mr. Simon commented that some revisions had been made to the previous TNW FY17 Budget on which earlier discussions with the Committee had been based. He indicated that Personal Services expense (rehab) for the Short Term Rehab Rooms had been under budgeted by an estimated $70,000; the calculation of a new schedule of debt service should be integrated; and, the amortization of pension costs should be revised so that only normal costs were included.

It was decided that an explanation of the change in methodology should be inserted as a separate page into the FY17 Budget Book. Mr. Gieger was asked to insert an additional column on the Budget Book page to show the transition and improvement of performance.

The Committee discussed the following options: Nathaniel Witherell becomes a regular Town Department in the General Fund so that its expenses would come from the Operating Budget; keep Nathaniel Witherell as a separate fund and continue to subsidize future shortfalls; or consider whether the Town wished to sustain the property or sell it. Mr. Simon emphasized that the Nathaniel Witherell Board improvement plan included increasing the percentage of private pay patients, expanding the short-term rehab beds and adding a fulltime Admission Representative to the staff to cover the additional bed turnover in rehab and to improve occupied bed scheduling were positive initiatives that needed a year of operation before judging their results.

FOR FURTHER DISCUSSION - Mr. Lash asked Mr. Gieger to invite several Departments to return on Monday or Tuesday to provide additional information.

The Committee began the budget consolidation process by reviewing capital items as follows:

CAPITAL BUDGET

• IT Department
  1) Enhanced email and document sharing - $40,000
  2) Online permitting with customization of City-View software $132,000
  3) Acquisition of new plotter for GIS - $20,000
    o The Committee asked to see Ms. DeLuca and Mr. Klein to review online permitting.

• Fire Department
  1) Protective Equipment- $70,000
  2) Addition of a single or multiple pumpers

• Police Department
  1) License plate reader - $21,000
DPW

1) Storm Water Master Planning - $500,000
   - The Committee would like to see Ms. Seibert to be updated on the Army Corps of Engineers commitment to the project. It also proposed that DPW be scheduled 3-4 times per year to update the Committee at a regular monthly meeting.
   - Ms. Tarkington requested details of soil remediation projects.
2) School Zone signage - $650,000
3) ADA Sidewalk Inventory & Improvements - $200,000
4) Highway Maintenance – Asphalt Paving Program - $3,000,000
   - Mr. Ramer expressed interest in increasing this item and identifying State aid or grant resources.
5) Pemberwick Park/Road Sidewalk - $250,000
6) Greenwich Avenue Streetscape - $300,000
7) Church Street Drainage Replacement - $3,100,000
8) Steamboat Road Pier - $50,000
9) BOE Parking Maintenance - $315,000
10) Holly Hill Master Plan - $875,000
   - The Committee will request additional information from Ms. Seibert when she appears on Monday or Tuesday about where the sewer line should be funded
11) Northwest Fire House/GEMS Facility - $500,000
   - Mr. Gieger will provide further information in the event that the Committee decides to place conditions on the release of funds.
12) Byram Fire Station Upgrade - $200,000
13) Pinetum Greenhouse & Garage Restroom - $300,000
14) Eastern Greenwich Civic Center Design - $520,000
15) Greenwich Point Facility Improvement - $477,000
   - Grass Island Restroom - $586,294 (balance after FY16 appropriation)

All of the aforementioned comments and proposals were for discussion purposes only. There were no motions made and no votes taken on any item discussed at this meeting.

The meeting adjourned at 4:00 P.M.

Respectfully submitted,

_____________________________
Catherine Sidor, Recording Secretary

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James A. Lash, Chairman
Mr. Lash called the meeting to order at 9:02 A.M.

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Dr. McKersie reviewed how the New Lebanon School would have 3 sections of PreK (about 45 students). One section was previously located at New Lebanon, but was moved when space became tight. Dr. McKersie said that the BOE had not yet determined where the other two sections of PreK would come from, with the overall number of PreK sections in the District to remain at 12. The Town currently has 12 sections of PreK with 4 sections at Hamilton Avenue, 3 at North Street, 3 at Old Greenwich, and 2 at Parkway. The Committee asked whether there may be redistricting after the New Lebanon project is complete. Dr. McKersie advised that common practice in other districts is that redistricting is reviewed every five years. While 95% of children are coming in with PreK experience, there was variation in the quality of these programs. There was additional discussion about the quality of the Town’s PreK programs and the demand for PreK spaces illustrated by the 3-4 applications for every PreK spot in the District. The District’s PreK programs include special needs students, and a mix of gender and 3 and 4 year olds in the same room. He also commented that there would be 50 magnet school students, currently schooled elsewhere in the District, that are projected to attend New Lebanon. Information on staffing and operational costs for the new New Lebanon School was also requested.

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