1. APPROVED BET Budget Comm. Meeting Minutes

Documents:

APPROVED_BET_BUDGET_COMM_MEETING_MINUTES_06-14-05.PDF
The meeting was called to order at 6:35 PM.

RP-1 RETIREMENT BOARD – Approval of resolution

This request is for approval of a resolution for an ad hoc cost of living adjustment for retired members of the Greenwich Retirement System.

The formula for this COLA is 100% of the annual CPI (using the CPI-U, which is the CPI for all Urban Consumers) measured from June 1999 (or June following retirement if retired after June 30, 1999) through June 2004.

The actuary has estimated that over a 28-year time period, additional costs of $15,072,688 will be incurred, requiring a $1.4 million contribution per year by the Town beginning with the '07 budget. The additional cost was determined by amortizing the increase in the present value of the benefits as a fixed dollar amount over 28 years at a discount rate of 8.5%.
The Budget Committee had a number of questions regarding the resolution and its effects and also had been given questions submitted in writing by Pam Frederick, a member of the committee formed by the RTM to study this ad hoc increase. Graham Schmidt from EFI was present to answer questions of an actuarial nature. Ed Gomeau, Peter Mynarski, and Mark Kordik were there from the Retirement Board, as was also Jim Lavin, former board member, now Retirement System Administrator.

The following were among the subjects covered during the discussion:

1) The fact that an ad hoc increase for the Police Benefit Fund needs to be taken care of now also.
2) Larry Simon requested, with the concurrence of the committee, that correct percentages be added to the fourth paragraph of the resolution in order to indicate the specific increase proposed for each year of retirement.
3) The Consumer Price Index used.
4) The percentage of the CPI used.
5) Whether there should be communication with the RTM consisting of notice given of ad hoc increases or any other sizeable cost.
6) COLAs in comparable towns.
7) The impact of changing the retirement time required before the COLA can be received.
8) Whether precedents are set by the granting of ad hoc increases.
9) The size of the medical cost component of the CPI in terms of the amount already covered in Fire and Police contracts.

At the end of the discussion it was clear that there were still unanswered questions, and at that point it seemed doubtful that answers would be available by the June BET meeting. Therefore the committee voted 3-0 to proceed as efficiently as possible to work on the questions and if necessary make a recommendation to the July BET meeting instead.

**Improvement Projects to be Carried Over**

**PR-1**  
PARKS & RECREATION – Pesticide Storage Shed - $12,000

Request to continue in force:

$12,000  
Z822-59220-25070  
Pesticide Shed

The bid for this project is expected to be released during the week of June 6, 2005.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

Two applications from Purchasing: PU-1 – Police Phone Wiring and PU-2 – Software for 911 Location were withdrawn.
PW-1  DEPARTMENT OF PUBLIC WORKS - Sidewalks - $40,000

Request to continue in force:
$20,000  Z312-59610-25031  Town Hall to Greenwich Avenue Sidewalk
$20,000  Z312-59610-25033  Lockwood Rd.- Sound Beach to Bradbury Pl.

Sidewalk

The Town Hall to Greenwich Avenue Sidewalk and Lighting Improvements Project was put on hold in late 2004 when the concept of a Central Business District Master Plan was endorsed. The design of the sidewalk and lighting improvements will have to follow the completion of the preliminary design plans for the Master Plan streetscape.

The committee felt that it will be better to get the total design done first. Since the Master Plan has not been completed, it will probably be a while before the $20,000 is needed, and it should be made available for other purposes.

The committee voted 0-3 to approve the request and was therefore not in favor of forwarding the application to the Board of Estimate and Taxation.

The Lockwood Road funds are needed to complete the final engineering design for the sidewalk. The project is being done in-house, so the $20,000 is for journal-vouchering money to the in-house work force doing the project. The committee asked Mr. Madrid to find out whether he has enough money in his operating budget to finish this project, thereby eliminating the need for a journal voucher involving the Capital and Non-Recurring Fund.

The committee voted 3-0 to forward the request to the Board of Estimate and Taxation as a non-routine application with the expectation that there would be further information available at the time of their meeting.

PW-2  PUBLIC WORKS - Force Main Reconstruction - $240,000

Request to continue in force:
$240,000  K-361-59650-25093  Force Main Reconstruction

The construction portion of the project will be going out to bid by the end of June 2005.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.
PW-3 PUBLIC WORKS – Generators, Sewer Replacement, Force Main Evaluation – $160,000

Request to continue in force:
$20,000 J-361-59200-25095 Generator at Central Station
$45,000 J-361-59200-25096 Generator at Western Station
$15,000 J-361-59650-25100 Stanwich Road Sewer Replacement
$80,000 J-361-59650-25102 Force Main Evaluation

Bids have gone out for the two generators and for the sewer replacement and are expected to be received and awarded before the end of June 2005. A contract for the force main evaluation is expected to be executed also by the end of June. Funds for all four projects are being requested to be put on improvement reserve as a precautionary measure.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

FD-1 FIRE DEPARTMENT – Dry Hydrant Installation - $100,000

Request to continue in force:
$100,000 Z-205-59210-25009 Dry Hydrant Installation

The Fire Department is waiting to receive the last of four releases needed from owners whose property will be impacted by the dry hydrant installations. As soon as all releases are filed, the bid process can begin.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

Requests for Budget Adjustments

SE-1 FIRST SELECTMAN - Transfer - $33,000

Request for transfer:
$28,000 to A105-52150 Office Services
$5,000 to A105-52950 Miscellaneous Services - NOC
$28,000 from A105-51460 Professional Services
$5,000 from A105-51460 Professional Services

The $28,000 request is to cover a payment to Greenwich Adult Day Care that was not entered in the '04-'05 budget. The $5,000 request is to cover additional expenses for committees of the Selectman’s Office.
The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

TA-1  ASSESSOR - Transfer - $14,500

Request for transfer:
$ 7,000 to A135-52100 Travel Expense – Employees
$ 7,400 to A135-53010 Office Supplies
$ 100 to A135-54150 Maintenance - Furniture
$14,500 from A135-51010 Regular Salaries

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

ED-1  GEMS – Release of Funds - $1,370,832

Request for release of funds:
$1,370,832 to A440-51490 Professional – NOC

This request is for the release of the first half-payment of the GEMS budget and the first half-payment of the contract fee for the Emergency Operations Management Coordinator for FY2005-2006.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

HD-1  HEALTH DEPARTMENT – Approval to Use - $24,172

Request for approval to use:
$24,172 to F4031-51300 Temporary Salaries
$24,172 from F403-443400 State Grant

This request is to accept funding from the Center for Disease Control and Prevention, through the State of Connecticut Department of Public Health. These funds will be used to hire temporary support assistance to update and/or develop public health emergency preparedness response plans.

The appropriate benefit costs will be charged to this grant as salary costs.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.
PZ-1  PLANNING & ZONING - Transfer -$15,500

Request for transfer:
$15,500  to  A171-52010  Overtime
$15,500  from  A174-51300  Salaries – Part-time

This transfer is requested to pay for a larger than expected number of legal ads

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

FI-1  BET - ADMINISTRATION - Transfer -$359,500

Request for transfer:
$359,500  to  A902-57300  Workers Comp-Medical
$ 59,500  from  A911-57500  Sewer Taxes
$ 50,000  from  A908-56910  Insurance Claim Administration
$250,000  from  A901-57050  Social Security

Last month the issue of higher than budgeted workers compensation was discussed, and a request for an interim appropriation of $250,000 was made. That request was to be supplemented with transfers from other Fixed Charges accounts. The entire amount of $359,000 will probably not be needed but is being requested in order to avoid any possibility of a negative balance. Any unused funds will be put toward Anthem amortization.

The committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation for consideration as a routine application.

GOVERNANCE AND INVESTMENT POLICY OF THE OPEB FUND

There was a long discussion that centered on the Budget Committee’s observation that there is at present no comprehensive written policy and no governance structure for the OPEB Fund. Presently, there is almost $15 million in the fund, and how it is managed can result in sizeable gains or losses for the Town. A one percent favorable change in performance is equivalent to $150,000 savings to the Town. The committee emphasized its belief that the Board of Estimate and Taxation as a whole is a financial policy board, not a group constituted to make decisions as to the management of the fund.

The committee therefore recommended that the chairman of the BET appoint such a group. The chairman, in turn, asked that the committee bring its recommendation for the appointment of an ad hoc committee along with a charge for its work to the June 20, 2005 BET meeting.
CASH MANAGEMENT RESOLUTION

The committee reviewed the resolution concerning cash management in which the changes involved simply the addition of a number of banks and other financial institutions to the list approved in January 2000 for the Treasurer’s use. It was agreed that the Investment Committee should report to the BET on the resolution.

'06 BUDGET PROCESS – DEBRIEFING

Included in the discussion of the recently completed budget process were the following conclusions:

1.) We need to know what the plan is for each of the capital budget areas and how well the Town is executing against that plan.
2.) We need better communication with the RTM and other parts of Town, particularly regarding the CIP process.
3.) There should be more focus on maintenance.
4.) There should be narrative sections in the budget book, including an explanation of sizable changes in departments’ budgets.
5.) We need to begin to tie outcome based budgeting to activities that we are willing to fund.

There was a list of items submitted for discussion that should be used for reference during the next budget process.

Mr. Gieger was asked to provide a list of any changes made to the CIP list after the budget book was done.

APPROVAL OF MINUTES

Upon a motion by Larry Simon, seconded by Jara Burnett, the committee voted unanimously to approve the minutes of the May 10, 2005 Budget Committee meeting.

There being no further business before the committee, upon a motion by Larry Simon, seconded by Jara Burnett, the committee voted 3-0-0 to adjourn the meeting at 8:35.

Respectfully submitted,

Valeria P. Storms
Valeria P. Storms, Chairman