

## 1. BET Budget Comm. Workshop Documents

### Documents:

APPROVED\_BET\_BUDGET\_COMM\_WORKSHOP\_MINUTES\_07-25-12.PDF  
BET\_BUDGET\_COMM\_WORKSHOP\_AGENDA\_07-25-12.PDF  
REVISED\_BET\_BUDGET\_COMM\_WORKSHOP\_AGENDA\_07-25-12.PDF  
SUB\_TO\_APP\_BET\_BUDGET\_COMMITTEE\_WORKSHOP\_MINUTES\_07-25-12.PDF

**OWN OF GREENWICH  
BET BUDGET COMMITTEE WORKSHOP  
Gisborne Room  
1st Floor**

**Wednesday, July 25, 2012**

**9:00 A.M.**

Present:

BET Budget Committee Members:

Joseph Pellegrino, Budget Committee Chairman, Bill Finger, Leslie Tarkington, Jeff Ramer

Others:

Marc Johnson, BET, Randal Huffman, BET, Sean Goldrick, BET, Michael Mason, BET Chairman, Peter Mynarski, Comptroller, Roland Gieger, Budget Director, Leslie Moriarty, Board of Education Chairwoman, Ben Branyan, Board of Education and Barbara O'Neil, Board of Education

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

**1. Discussion of 2013-2014 Budget**

Mr. Pellegrino began the meeting by stating that he would like to cover a variety of topics for inclusion into the Budget Guidelines for Fiscal Year 2013-2014. Mr. Pellegrino then requested that Mr. Mynarski give the Committee an update on year-end results for the year ending June 30, 2012.

Mr. Mynarski informed the Committee that for the fiscal year ending June 30, 2012, revenues ended with a surplus of over \$2 million. In addition, Mr. Mynarski reported that expenditures returned a surplus of about \$8.8 million. He cautioned that the accounting books would remain open for 60 days but did not expect any material audit adjustments. Mr. Mynarski calculated that with the aforementioned surpluses and taking into account the use of fund balance of about \$7 million, he expects budgetary fund balance to grow by about \$4 million.

Subsequent to Mr. Mynarski's report, Mr. Pellegrino and the other Budget Committee Members collectively agreed that the department heads should be commended and personally thanked for their good work this year on managing their budgets and department costs. Mr. Mason suggested that the congratulatory remarks should be included in the Budget Guidelines in the introduction.

Ms. Tarkington asked Mr. Mynarski when the Generally Accepted Accounting Principles (GAAP) Fund Balance would be available and if the figures could be forwarded to the BET. Mr. Mynarski agreed to forward those numbers when available; probably in the September Comptroller's Report.

Mr. Ramer asked Mr. Mynarski if he could request updated debt ratio numbers from Bill Lindsay, Independent Bond Investment Consultant (IBIC). Mr. Ramer presented his copy of the debt ratios last presented by Mr. Lindsay in 2011. Mr. Mynarski agreed to request the data and forward to the Budget Committee.

Mr. Pellegrino began a general discussion on materials prepared by Al Cava, Town of Greenwich Labor Negotiator, on wage increases over the last 13 years which averaged 3.88% for both GWI and Steps. Mr. Pellegrino commented that the Town cannot afford to continue paying increased compensation costs with the still very tough economic conditions.

Mr. Pellegrino compared the extremely high fringe benefit ratios listed in materials prepared by Mr. Gieger with the private sector and stated the Committee needs to address these disparities.

Mr. Pellegrino proceeded in addressing the following topics with the Committee members:

- Headcount – Mr. Pellegrino suggested that the budget guidelines address this topic and told the Committee that the first budget guidelines were written by former Comptroller, Ed Gomeau, and they addressed reducing headcount.
- Management and Confidential (M/C) Employees – Mr. Pellegrino stated that the Committee must address the process of evaluating and paying MC employees in light of events that recently occurred with the process.
- Capital Budget Forecasting – The Committee reviewed the updated Capital Financing Plan, which is now a ten year forecast. Mr. Mason commented that it is hard to make capital budgeting decisions with the looming large monetary unknown costs of the Greenwich High School soil remediation problems and the Project Renew bidding cost overruns. Mr. Ramer questioned the reduction in the annual Board of Education capital requests from \$10 million to \$8 million annually. He wondered if the amount was adequate to meet the needs of the Board of Education facilities. Mr. Pellegrino reminded Mr. Ramer that everyone submitting capital requests was cut back by twenty percent. Mr. Pellegrino also stated that the First Selectman is responsible for bring a capital project budget forward with assistance from the Capital Improvement Projects (CIP) Committee. Mr. Finger expressed a concern of deferring Board of Education and Public Works maintenance projects to meet the requirements of the BET imposed Debt Policy. Mr. Finger suggested it would be cost beneficial to accelerate capital projects in light of historic low interest rates.
- Mill Rate Projections – Mr. Gieger gave the Committee a quick walk through of the mill rate projection page prepared by him. He highlighted the projections by stating the salaries have been increased by a uniform 2.5% and healthcare is projected to increase by 12%, starting January 1, 2014, which translates into an effective 6% increase for the half year. Mr. Pellegrino suggested a new caption on the mill rate page, "Total Operating Appropriations". He also suggested that the increase for this total increase by only 2% and be in the budget guidelines.

This would result in a \$6 million decrease in the projections listed on the mill rate page. There was an extended discussion on this limitation.

- **Mill Rate Increase** – Mr. Pellegrino asked each of the Budget Committee Members to make a suggestion for what they feel their target should be for a mill rate increase. Mr. Pellegrino went first and stated his suggestion would be an increase of 2.45%. Mr. Finger thought a 2.45% increase would not work and offered an increase in the 3.00% to 3.50% range. Ms. Tarkington felt that there needs to be a culture change. She felt the budget guidelines should reflect this and her basis for the comment was that the Boards and Commissions are advocates for their respective business interests. Ms. Tarkington asked for more information on the sewer rate mill increases as the majority of Greenwich taxpayers are in the sewer district and many may not differentiate when they receive their tax bill between the general fund and the sewer funds mill rates. Ms. Tarkington suggested a 2.50% mill rate increase for the general fund. Mr. Ramer commented that he does not conceptualize a Budget as being built to a target mill rate but rather targets the services which the Town seems to require, and then makes adjustments as necessary to balance the scale of those services against an appropriate level of taxation. Mr. Ramer agreed with Mr. Finger, however, that the resulting mill rate would likely be in the range of a 3.0% to 3.5% increase.

Mr. Pellegrino concluded by asking his fellow Committee members for assistance in crafting the commentary for the budget guidelines over the next few weeks. Specifically, he asked for comments on the vision of the Budget Committee regarding budgets, strategies and key philosophic points. Mr. Pellegrino told the Committee members he wants to take a higher level view of where we should go.

Ms. Tarkington suggested that the BET begin to look at closing the defined pension plan to all new Town employee hires and for future years of employment for grandfathered employees.. Public Safety employees continue to be the only employees hired into the Town's defined benefit plan. Mr. Finger and Mr. Ramer were open to considering options.

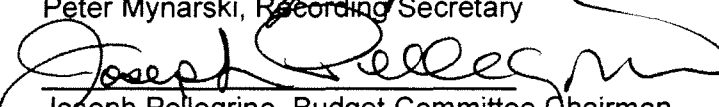
Mr. Finger requested informational costs on the last layoffs from the economic downturn.

## 2. **Adjournment**

Mr. Ramer made a motion to adjourn, seconded by Mr. Finger. The Meeting was adjourned on a vote of 4 to 0 at 10:53 am.

Respectfully submitted,

  
Peter Mynarski, Recording Secretary

  
Joseph Pellegrino, Budget Committee Chairman



**TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION  
BUDGET COMMITTEE WORKSHOP**

**Wednesday, July 25, 2012**

**Gisborne Room, 1st FLOOR  
9:00 A.M.**

**AGENDA**

1. Discussion of 2012- 2013 Budget
2. Adjournment

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Joseph L. Pellegrino,  
Chairman, BET Budget Committee



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Peter Mynarski, Recording Secretary

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Joseph Pellegrino, Budget Committee Chairman

SUBJECT TO APPROVAL