

1. BET Budget Comm. Meeting Documents

Documents:

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**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
BUDGET COMMITTEE MEETING
CONE ROOM
TUESDAY, NOVEMBER 14, 2006, 6:30 PM**

AGENDA

Requests for Budget Adjustments

<u>Number</u>	<u>Department</u>		
HD-4	Health	<u>\$40,913</u>	Approval to Use
	F4031-51010	20,000	Regular Salaries
	F4031-51490	2,500	Professional Services NOC
	F4031-52010	1,000	Advertising
	F4031-52020	8,000	Printing & Binding Reports
	F4031-52920	4,000	Work Transfer Other Depts
	F4031-52950	1,000	Miscellaneous – NOC
	F4031-53010	1,500	Office Supplies
	F4031-57050	2,913	Social Security
HD-5	Health	<u>\$34,500</u>	Approval to Use
	F4031-51010	7,000	Regular Salaries
	F4031-52010	5,000	Advertising
	F4031-52150	3,000	Office Services
	F4031-52950	3,000	Miscellaneous - NOC
	F4031-53260	15,000	Lab Supplies
	F4031-54200	1,500	Maintenance of Equipment

Approval of Budget Committee Meeting Minutes for:
Regular Meeting of the Budget Committee 10/10/06

Approval of Finance Department, Assessor and Tax Collector budgets and operational plans for
fiscal year 2007-2008

Monthly Presentation Topics

Risk Manager – Best strategy presentation: insurance, total risk, etc.
Review June 30 AON analysis of Town risks known at that time

Discussion – Board of Education Control of Commitment

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE
MINUTES

Cone Meeting Room
Tuesday, November 14, 2006

Present:

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

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ted Gwartney, Assessor; Chris DeMeo, Risk Management; Dr. Susan Wallerstein, Leslie Moriarty, Colleen Giambo, Greenwich Public Schools; Caroline Baisley, Deborah Flynn, Department of Health

Board: Nancy Barton, William Finger, James Himes, Arthur Norton, Alma Rutgers, Peter Tesei

Ex Officio Board Member: James Lash, First Selectman

Others: Greg Howard, AON Risk Consultants

The meeting was called to order at 6:30 P.M.

Requests for Budget Adjustments

HD-4 HEALTH- Approval to Use- \$40,913

Request for approval to use:

\$20,000	to	F4031-51010	Regular Salaries
\$ 2,500	to	F4031-51490	Professional Services-NOC
\$ 1,000	to	F4031-52010	Advertising
\$ 8,000	to	F4031-52020	Printing and Binding Reports
\$ 4,000	to	F4031-52920	Work Transfer-Other Departments
\$ 1,000	to	F4031-52950	Misc- NOC
\$ 1,500	to	F4031-53010	Office Supplies
\$ 2,913	to	F4031-57050	Social Security
\$40,913	from		Emergency Preparedness Planning Grant

This request is being made to accept the fourth of six contract grant payments of State funds over a two year period (8/07-8/08) for Public Health Emergency Preparedness.

Ms. Baisley and Ms. Flynn presented the application to the Board. Ms. Baisley stated that this is the third payment of the second year contract.

In response to a question from Mr. Walko, Ms. Baisley explained that before the full time grant position was created, salary money was drawn from the 130 account. Now that the Public Health

Emergency Preparedness Coordinator position is a full time grant funded position, it is drawn from the 101 account.

Ms. Baisley said that Joanna Lipson is taking the position, and in response to a question from Mr. Simon with regard to health care benefits, she stated that Ms. Lipson waived the benefits offered. Otherwise, benefits would be paid for through the grant money.

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

HD-5 HEALTH- Approval to Use- \$34,500

Request for approval to use:

\$ 7,000	to	F4031-51010	Regular Salaries
\$ 5,000	to	F4031-52010	Advertising
\$ 3,000	to	F4031-52150	Office Supplies
\$ 3,000	to	F4031-52950	Misc- NOC
\$ 15,000	to	F4031-53260	Lab Supplies
\$ 1,500	to	F4031-54200	Maintenance of Equipment
\$ 34,500	from		Emergency Preparedness Planning Grant

This request is being made to accept funds for Public Health Emergency Preparedness specifically for Pandemic Influenza.

Ms. Baisley explained that this is an addendum contract to the two year contract for Emergency Preparedness. The Greenwich Department of Health laboratory has been chosen as one of the key Public Health Laboratories in the state. Some of the lab supplies covered under the grant include an ultra low temperature freezer, incubator and refrigerator/freezer. The maintenance for this equipment is covered by the grant. Miscellaneous items include events to be held.

In response to a question from Mr. Walko with regard to the Town always being obligated to have a Public Health Emergency Preparedness Coordinator should we accept these supplies, Ms. Baisley said that the Town is not committed to keeping the position should the grant funds not be available.

In response to a question from Mr. Simon as to unemployment benefits eligibility for the Coordinator position, Mr. Gieger responded that unemployment benefits would be the town's responsibility, not something paid by the grant. Mr. Simon noted that this should be kept track of if the cost is incurred.

Mr. Simon also inquired as to utilities, and if the cost to operate the equipment was part of the grant. Ms. Baisley said that the equipment is routinely used by the town and utilities are the Town's responsibility. The one exception to this is the ultra low temperature freezer

The Committee voted 4-0 to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

APPROVAL OF MINUTES

Upon a motion by Mr. Mason, seconded by Mr. Krumeich, the Committee voted 4-0 to approve the Minutes of the October 10, 2006 Regular Budget Committee Meeting.

Upon a motion by Mr. Mason, seconded by Mr. Krumeich, the Board voted 4-0 to add the following item to the meeting agenda, under Old Business:

Discussion-Board of Education: Control of Commitments

Mr. Walko began by saying that the BET Law Committee met on October 26, 2006 and discussed this item with town attorney Wayne Fox. Members of the BOE were present for that meeting as well. A draft report with respect to that meeting was circulated by the BOE.

Ms. Barton reported that this meeting was one in a series of meetings to discuss control of commitments. It is the opinion of the town attorney that transfers between MOC's are required to come before the BET for their approval.

At the October Budget Committee meeting, the question was asked how to determine the level of Major Object Code (MOC) required for budget transfers. Mr. Fox concluded that MOC's are only the top five principle codes that apply to operating budget and not all of the various divisions, schools and programs beneath them.

Threshold dollar amounts of transfers were also discussed at the meeting. Under the charter, the BET cannot delegate back to the BOE the transfer of funds between MOC's, irrespective of any dollar amount. Approval must be given in advance of any transfer.

Ms. Barton asked Mr. Fox if the BET could delegate authority to approve transfers below a certain dollar amount to the Finance Department, and Mr. Fox said this would be permissible, as Finance already approves transfers for less than \$5,000 for other departments in town.

Two options were discussed:

- Require all transfers between MOC's have BET approval, without a dollar threshold;
- Develop a compromise that would allow delegation of approval for a threshold amount before BET approval is needed.

Ms. Barton stated that if information for the rest of the fiscal year could be collected and studied to see how big the problem is, ways to improve the processing of routine items could be made easier.

The BOE threshold for approval is \$10,000. This applies to all transfers, not just MOC's. Each MOC has multiple line items.

The Budget Committee agreed on a threshold of \$5,000, as this is the threshold used for other town departments.

Mr. Simon suggested a start date of January 1, 2007 and Mr. Walko suggested a review date of the July 2007 meeting of the Budget Committee.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Committee voted 4-0 to delegate to the Comptroller \$5,000 or less for BOE transfers, that this will begin January 1, 2007, and the process will be reviewed in July 2007.

Mr. Fox will be present at the November 20, 2006 meeting of the BET to answer any questions.

Ms. Giambo expressed concern over the legality of the imposition of restrictions by the Town on what the BOE does within their own budget. She pointed out that the issue of state statute vs. town charter has never been resolved, although Mr. Fox did say that the charter required a review and vote on items such as this.

Approval of Finance Department, Assessor and Tax Collector budgets and operational plans for FY 2007-08

Tax Collector- The Tax Collector had not yet prepared an operational plan at the time of the meeting. No recommendation was made.

Assessor- Mr. Gwartney presented the operational plan for the Assessor's office. He said that the most important item is to conduct the next revaluation so that it can be completed by 2009, over the three year period. Highlights include the following:

- Four Capital projects over a four year period totaling \$657,155. This includes \$36,000 for inspection of open house sales that is not part of this year's budget.
- Three special projects: preparing a policies and procedures manual, evaluation of the cost and advantages of a new administrative computer system, and development of methods for using GIS technology in the assessment process.

Mr. Gwartney had distributed a copy of the chart for the revaluation, the effective date of which is October 1, 2009. The chart breaks down residential and commercial properties, what would be accomplished each year and what the cost of each of the items would be, and total costs distributed over a three year period.

Mr. Simon noted that more current numbers be provided in the Department Financial Summary portion of the plan. Mr. Krumeich pointed out that an indication of change from year to year be provided as well. Mr. Gwartney said that he provided a five year summary of actual department expenditures for 2004-2007, and proposed 2008.

Mr. Krumeich suggested that format changes be implemented overall. Mr. Mynarski stated that part of the operational plan for the Finance Department includes changes in the main template. These changes would be made through the First Selectman's office. The operational plan is key

in the budget process, both for the First Selectman in putting the budget together and the BET in reviewing it.

Upon a motion by Mr. Simon, seconded by Mr. Mason, the Committee voted 4-0 to recommend to the BET to approve the Assessor's budget to forward to the First Selectman, with a revised operational plan for BET review.

Finance- Mr. Mynarski presented the operational plan for the Finance Department.

Mr. Walko asked if the position of Alarms Coordinator will migrate over this fiscal year or commencing on or after July 1, 2007. Mr. Mynarski stated that this individual has physically been there for the past few months, and the funds for it are budgeted for 2006-07. For the current year it will show in the Finance budget and next year it will be reflected in the Police budget.

Mr. Simon inquired as to Outcome Based Budgeting Consultant fees, line 149. There is \$90,000 budgeted for this. At the November Audit Committee meeting, a resolution was passed requesting \$30,000 for special audits to be done by McGladrey and Pullen, and \$60,000 was set aside for outcome based budgeting. This was to be for a consultant to come in and assist with the design and writing of the operational plans.

The Budget Committee agreed that more goal-oriented or measurable statements could be incorporated in the format.

Upon a motion by Mr. Simon, seconded by Mr. Mason, the Committee voted 4-0 to recommend approving the Finance Department budget to forward to the First Selectman, and before the money in line 149 is spent next year, Finance returns to the Budget Committee.

MONTHLY PRESENTATION TOPICS

Risk Manager- Best Strategy presentation: insurance, total risk, etc

Chris DeMeo began by stating that AON Risk Consultants had prepared exposure reports for the Town of Greenwich for the past 5 years. This data includes reports for self insured's, workers compensation, general liability, and property/casualty claims along all lines of coverage. This information is based on loss experience provided by Risk Management, in some cases as far back as 1980.

The Town of Greenwich Budget Forecast for 2007, and the Workers Compensation Loss Analysis for 2001-02 to 2005-06 were provided to the Committee, and Greg Howard from AON Risk Consultants presented the information and answered the Committee's questions.

Mr. Howard started his discussion on workers compensation. Highlights include:

For FY 05-06, limited incurred losses to date are \$1,182,266 (Exhibit 4, Column B)
Limited paid losses to date total \$531,903 (Exhibit 4, Column C)

Mr. Howard reported that in the two most recent policy years, there have been reductions in ultimate losses (Exhibit 4, column J, lines FY 40-05 and FY 05-06)

To date, estimated workers compensation losses excluding heart and hypertension still to be paid total \$11,037,055(Exhibit 2, top left box)

Last year's total was approximately \$9 million.

Expected payouts for workman's compensation claims for 2007-08 are approximately \$3,254,891. (Exhibit 1, page 1 column A, Payment period FY 07-08).

Last years estimated payout for 2006-07 was \$2.9 million.

Mr. Simon suggested appropriating money from the risk fund to cover some of the workman's compensation claims if necessary.

Total liabilities as of June 30, 2006 are \$25.5 million. Using a 4% present value calculation reduces this amount to \$21 million. The Town only has \$1.8 million in its Risk Fund to meet these liabilities.

There being no further business before the committee, upon a motion by Mr. Krumeich, seconded by Mr. Mason, the Committee voted 4-0 to adjourn the meeting at 8:57 P.M.

Respectfully submitted,

Valerie Zebrowski, Recording Secretary

Stephen G. Walko, Chairman



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CONE ROOM
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ROUTINE APPLICATIONS

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Approval of Budget Committee Meeting Minutes for: Regular Meeting of the Budget Committee 10/10/06				4-0-0
Approval of Finance Department and Assessor budgets plans for fiscal year 2007-2008				4-0-0
<u>Monthly Presentation Topics</u>				
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Discussion – Board of Education Control of Commitment				4-0-0