

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

**CAPITAL BUDGET REVIEW (except BOE) – FY15 BUDGET
MINUTES**

**Town Hall Meeting Room, 1st Floor – 9:00 A.M.
Wednesday, February 19, 2014**

Present:

Committee: Marc Johnson, Mary Lee Kiernan, Jeffrey Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Amy Siebert, Commissioner of Public Works; David Thompson, Deputy Commissioner of Public Works; Joseph Siciliano, Director of Parks And Recreation; Tom Greco, Manager, Business Services Operations; John Crary, Town Administrator; Mary Pepe, Director of Human Resources; Alison Graham, Employee Benefits Manager; Mark Kordick, Police Captain; Bruce Spaman, Parks and Trees Division Superintendent and Tree Warden; Joe Ross, MISA Building Committee; Peter Siecienski, Fire Chief; Robert Kick, Assistant Fire Chief

Other: Ty Tregellas, Turner Construction; Cindy Lyle, President Junior League Greenwich, Sue Rogers, Parliamentarian Junior League; Sandy Kornberg and Frank Napolitano, Glenville Volunteer Fire Fighters and Sean Turpin from Volunteer Hose & Chemical Co. No.2, Robert Brady, MISA Building Committee, Laura Erickson, Board of Education Member Joan Sullivan, Director of Purchasing and Administrative Services, Eileen Ingalls, Telecommunications Coordinator/Buyer

Board: John Blankley, Bill Drake, William Finger, Sean Goldrick, Randall Huffman, Michael Mason, Chairman, Art Norton, Nancy Weissler

Mr. Johnson called the meeting to order at 9:00 A.M. Before discussions began on Capital Budget items Mr. Johnson invited the MISA Building Committee to review their progress to date. He also indicated that Volunteer Fire Chiefs would be joining the group towards the end of the day.

MISA BUILDING COMMITTEE REVIEW

Joseph Ross presented the Committee with an Analysis of the MISA project's Contingency Fund breaking down the cost into three cost categories and explained how environmental and other costs impacted each: Trade Contractors (Change Orders issued to date and Potential Change Orders); Construction Management (Extended General Conditions) and Soft Costs (AECOM Additional Monitoring & Testing). Whereas construction was 18% complete, Mr. Ross suggested that the Building Committee saw a current need for replenishing construction

contingency, which now stands at \$500,000, for the rest of the project. Cost increases from change orders during the excavation phase were substantially above estimates due to additional environmental costs. He commented that the original bidding process was based on testing that did not expose all the environmental problems that caused escalated remediation costs.

Mr. Johnson asked at what point TOG should consider cutting its losses or if alternative plans should be considered. Mr. Ross responded that the de-watering issue had been mitigated and that the depth of excavation and height of the water table would be different in the next phase. Ms. Tarkington commented that the contract had been issued for the whole project and that the next phase would be in an area where less environmental risk was anticipated. She pointed out that the Building Committee was fulfilling the charge received from the BOE, RTM and BET. Mr. Ramer commented that it seemed the project had moved beyond the area of greatest risk.

Mr. Johnson asked Mr. Brady to comment on the topography of the land under the old auditorium and where the new auditorium's footings would be installed. Both Mr. Brady and Ms. Seibert did not think water would be an issue because of the rock ledge in that next construction area. Ms. Seibert noted that once GHS was out of session during the summer additional contamination testing would be done around the site.

Ms. Kiernan asked if the unanticipated costs and delays would impact future school construction reimbursements from the State. Ms. Tarkington indicated that the State had been advised of the need for an additional modification of the cost of the original plan and reimbursements could still be anticipated 2-3 months after receiving approvals from the State. Ms. Moriarty explained that a portion of the increased costs would still be eligible for reimbursement. Ms. Kiernan also asked the Building Committee to update total costs to date associated with remediation and total costs to date associated with contamination-related project delays, as the BOE had presented in connection with the last appropriation a year ago.

Mr. Mason offered that there was a responsibility to the community based on what had already been dedicated to the project and it was necessary to consider what would happen if no additional money was invested in the project. Ms. Tarkington pointed out that the original project budgeting called for a separate contingency line item for the instructional space and the auditorium.

Ms. Laura Erickson, a member of the Friends of High School Performing Arts stated that their group had already received pledges of \$1.25-million for furnishing the interior space.

Mr. Goldrick commented that BOE Capital Budget funds should not be diverted to MISA because that would jeopardize improvements to Greenwich's other school buildings whose age and condition required attention.

FINANCE DEPARTMENT – REVENUE AND FIXED CHARGES PRESENTATION

Ms. Pepe and Ms. Graham presented details of TOG's healthcare expenditure of \$49-million in the 2014-2015 Budget. Mr. Geiger explained that due to employment vacancies in the previous year healthcare expenditures appeared higher in the upcoming budget because he projected that the vacancies would be filled.

Mr. Ramer asked if the 18% increase in healthcare costs for the second six months of the budget year were realistic because he was concerned about taxing citizens for an eventuality

that might not occur if the provider's premium costs were not raised that high at the start of the new chronological year. Ms. Graham indicated that that percentage was similar to the previous year's increase which did not stand out due to the employee position vacancies.

Mr. Crary suggested that approximately 1/3 of TOG employees were more than 50 years of age and that premiums were based on frequency of usage and local hospital costs. Mr. Ramer suggested that society's culture of claims might also be a factor and asked if the migration to high deductibles and HSAs might help reduce future claims. Ms. Graham felt that it would have a bearing on future healthcare costs.

Mr. Goldrick offered that Greenwich's costs were higher in comparison to national health insurance on the Affordable Healthcare exchange. Ms. Pepe responded that Greenwich, and Fairfield County as a region, had higher costs.

Mr. Mynarski and Mr. Gieger reviewed other Fixed Charges indicating that three areas were responsible for a 7.5% increase – debt service, healthcare and pensions. Mr. Mynarski also pointed out that there was a decrease of \$3-million in the Capital Reserve Fund contribution from last year.

Ms. Weissler asked whether a salary increase of 1% vs 2% would cause a corresponding increase in the cost of benefits. Mr. Gieger replied that 1/3 of non-union employees were participating in the new healthcare plan so that would minimize the increase.

Mr. Mynarski next drew the Committee's attention to the impact of Sick & Vacation dollars that would be paid out to this year's retirees. He projected that there might be a small surplus in that fund category at year-end. He noted that employees participating in HSAs received 2/3 in January and 1/3 in September, using the example that teachers leaving in June did not receive the second payment which could create a small surplus.

Mr. Mynarski mentioned that Workers Compensation costs were trending well so that this self-insured account might also be an area where a \$100K savings/reduction could be taken for the 2014-15 Budget. Additionally the self-insured Unemployment Insurance account might bear a \$50K reduction in the 2014-2015 Budget.

Mr. Norton asked if the General Liability Insurance premium might be understated at the projected 12% increase rather than being budgeted for a 15% increase in light of a recent presentation from the Town's insurance broker, Frenkel and Company.

Mr. Ramer asked how the target evaluation of potential future legal settlements was set and Mr. Norton responded that the Audit Committee projected the potential settlement costs and the deductible amounts for the Budget.

Mr. Mason commented that the \$300K reimbursement to the Lunch Fund was originally established as a revolving account so that the size of the reimbursement and number of students using the program should be reviewed.

Mr. Crary was asked about the cost of Document Imaging projected to be \$150K in the 2014-15 Budget. Mr. Johnson requested that Dustin Anderson pursue the question vigorously with the State Librarian to see if a scanning process rather than microfilming would satisfy the State's

legal standard and if so, which Departments would be able to use the less costly scanning solution.

CAPITAL BUDGET DISCUSSIONS

FIRST SELECTMAN/PUBLIC SAFETY

- **800 Mhz Radio** – Mr. Crary gave an overview of what was involved in the \$9.8 million Capital request. He indicated that the request covered both hardware and software to serve 600 town and 200 BOE users; \$4 million would be in the 2014-15 budget and \$5.4 million in the 2015-16 budget. A consultant was assisting with the process so that Federal guidelines and technical aspects of the RFP had expert guidance.

Captain Kordick suggested that the discussion points for the Town were the infrastructure to repair the current deficiencies and the number of users that the new system would need to satisfy.

Mr. Johnson asked for clarification on the cost of rent for placing the transmission towers, and if the new sites identified would overcome current transmission issues. Captain Kordick responded that site selection and evaluation was progressing; he commented that in some cases such as Verizon, no rent would be charged to TOG because it enhanced Verizon's reputation and community service objectives.

Captain Kordick indicated that he was concerned about purchasing sufficient capacity and how RFP responders would breakout costs so that advantages and disadvantages of a single or multiple vendors could be evaluated easily.

Mr. Johnson asked about the timetable for the RFP and if the full Capital request was approved, how the money would be spent. Captain Kordick responded that depending on the approval of funding, the RFP could be prepared and distributed; he estimated that selection and contract awards would be completed in Spring 2015.

Mr. Ramer asked what would be accomplished within 6 months and Captain Kordick replied that he anticipated 12 months would be needed for implementation of building the infrastructure.

Mr. Gieger and Mr. Crary pointed out that \$1.5million would be needed to commence the project, with as much as \$4million spent before the end of June 2015, and \$5.4million thereafter for execution of the subscriber components.

Ms. Kiernan asked if the consultant would also be a project manager after the purchase. Mr. Crary replied that it was anticipated the consultant would be with the project through its testing phase to evaluate the quality of its complete installation.

Mr. Ramer asked if there were any site acquisition costs and if all coverage deficiencies would be resolved. Mr. Crary responded that tower erection costs would be known once sites were selected. He also wanted to be sure that inside building transmission were adequate so that repeaters would not be necessary.

Mr. Roberto said that the solution was to select the most powerful installation for the system. He emphasized that Superstorm Sandy and the Newtown tragedies alerted TOG to shaping the RFP to meet these unprecedented situations.

Ms. Kiernan asked if the full amount was needed at the onset. Mr. Brady responded that it would be holding the amount open for 6 months to leverage advantageous pricing should a turnkey vendor be found rather than multiple vendors.

Ms. Tarkington and Mr. Mason offered that bonding is predicated on meeting cash flow needs. The question was whether or not to make a commitment now so that the full appropriation would be in the bonding resolution. Mr. Finger pointed out that a precedent had been set with the appropriation of the entire cost of the Central Fire House.

Mr. Ramer expressed special thanks to Mr. Brady for his work on the project.

- **Centralized VO IP Telephone System** – Mr. Cray responded to Mr. Johnson’s query regarding unspent money for this project. Mr. Cray told the Committee that an RFP had been sent out and was expected back in two weeks. Once the responses were reviewed, it could be determined whether to spend the money set aside for the project or return it to the General Fund.
- **Sound Beach Phone** – Ms. Ingalls and Ms. Sullivan explained that there were preliminary repair issues that needed to be resolved before the project could proceed. Mr. Ramer indicated that \$85K had been appropriated and that if it was not spent, it would lapse. He suggested that since there seemed to be no plan in place for the phone equipment to be replaced, that the funds should be returned to the General Fund.
- **IT Disaster Recovery Plan** – Mr. Cray explained that although the money had been appropriated, the project was waiting for the arrival of the new Information Technology (IT) Director. Ms. Tarkington asked if it was realistic to expect the new IT Director to give the project priority on arrival. Mr. Cray said that the new Director would be starting in April and the current IT Director would be available to brief the incoming employee.

POLICE/FIRE VEHICLES

Mr. Johnson asked Captain Kordick for a clarification of the \$79K Capital appropriations requested but unspent for vehicles, \$44K for additional radios and \$18K for boat repairs. Captain Kordick responded that 1/3 of the fleet was scheduled for replacement annually.

Mr. Ramer asked if the size of the Dive Team and amount of its equipment could be reduced from 9 to 7 (6 divers and 1 supervisor) based on the number of calls received per year. Captain Kordick responded that dive duty was in addition to regular duty and a sufficient number of backup personnel needed to be trained and ready for emergencies. He suggested that dive suits were personal and sharing of dive suits would not be hygienically acceptable.

Assistant Fire Chief Kick responded to questions from Mr. Johnson regarding the unspent \$229K remaining from 2011 for equipment and the \$91K unspent for dry hydrants since 2010. Mr. Kick indicated that the remaining equipment money was needed for a pumper. Although one had been purchased, it was resold in 2013 because it was not appropriate for Greenwich’s terrain. An alternative was being sought.

Ms. Tarkington asked about access to water and location of cisterns becoming required by homeowner insurance policies.

Mr. Ramer asked where the future location of the pumper would be and if the bid response satisfied the Department's specifications.

Mr. Johnson requested that the 2010 Dry Hydrant allocation be returned to the General Fund as well as \$150K of the 2011 allocation of \$229K.

The Budget Committee recessed for lunch at 1:19 P.M. and reconvened at 1:50 P.M.

PARKS AND RECREATION

Mr. Johnson reviewed open Capital Appropriations items for settlement asking Mr. Siciliano and Mr. Greco about the status of \$214K allocated after Superstorm Sandy. Mr. Siciliano responded that the plan for remediation had been approved and they were waiting for a permit to begin work.

Mr. Johnson then inquired about the \$77K remaining funds from the \$82K allocated in 2011 to upgrade lighting. Mr. Siciliano replied that the design phase was completed in 2011-2012 and the implementation phase was currently scheduled. He advised that the money would be spent before June 2014.

Mr. Ramer asked about an open amount of \$33K for landscaping and Mr. Siciliano explained that they were in consultation with BOE and it would be spent by June 2014.

Mr. Ramer questioned the allocations for the organic turf program and whether or not \$300K could be returned to the General Fund. Ms. Tarkington asked if this Capital Improvement hadn't been completed and was in a maintenance phase belonging in the Operating Budget. Mr. Siciliano concurred that that amount could be cut and the balance returned.

Ms. Kiernan questioned if the capital expended for artificial turf shouldn't be in the BOE budget. Mr. Siciliano responded that the turf for grass fields would be in his budget but could be requested by the BOE.

Mr. Ramer asked if the \$47K for engineering Cos Cob's dredging and replacement of pilings was completed and if so whether \$158K was left. Mr. Siciliano explained that bills were yet to be reconciled.

Mr. Ramer questioned the bidding status of the \$88K estimated to remediate the Tod's Point waterline and was informed that preparation of the RFP had begun.

The open line item for the Eastern Civic Center patio replacement was questioned and confirmed as in progress.

Mr. Johnson asked about the New Community First initiative and the use for three new vans costing \$75K with \$60K of operating costs. Mr. Greco explained that it would be used to increase the frequency of garbage pickup and restroom cleaning. He commented that 3 employees were needed to perform the work and that the vehicles needed to be versatile. Vehicle leasing had also been explored.

Mr. Johnson questioned the installation of an electronic gate at the Pinetum. It was explained that it would replace the current chain closure that required overtime manpower expenditure. Ms. Kiernan questioned if this new gate would require TOG maintenance and was told that the new gate would be automated.

Mr. Johnson asked about the Greenwich Commons Park initiative and the request for \$433K for the park's enhancement. The site plan's lighting, pathways and landscaping were reviewed. Mr. Siciliano informed the Committee that a philanthropic foundation had expressed active interest in contributing \$250K of the required amount. Mr. Gieger confirmed that the pledged money would be released upon the donor's approval.

Binney Park Master Plan – Mr. Siciliano said that the remaining \$35K was set aside to improve the look of the park and that the Parks & Recreation Board was deciding on next steps.

Mr. Johnson asked if the Binney Park plan was consistent with the Old Greenwich Masterplan. Mr. Goldrick suggested that a comprehensive plan for trees and shrubs needed to be designed to replace what was damaged by Superstorm Sandy. Mr. Spaman responded that they were working with the Tree Conservancy and there is a plan to replant a number of trees in the future.

Mr. Ramer cautioned that silting and dredging of the pond seemed to be a more extensive issue that needed to be planned first.

Playground Inspection Program – Mr. Siciliano explained that \$170K was needed for a complete annual inspection of all 32 parks costing approximately \$25K each to identify remediation that should take place to minimize potential for lawsuits. The money would also cover the cost of a monthly inspection by a foreman to catalog any interim deterioration. Ms. Kiernan asked if this expenditure also included inspection of BOE playgrounds, tennis and basketball courts and was assured that it did.

Trees At Risk Program – Mr. Johnson asked Mr. Spaman if the \$264K of the Capital Appropriation of \$325K for the program would be spent by June 2014. Mr. Spaman responded that the bills had been presented but were not as yet paid. He stated that the original three-year program was increased to a four-year program. He told the Committee that a consultant was hired in 2006 identifying 741 of 8,000 trees that were at risk. Mr. Spaman said that the \$325,000 was to cover the costs of the program's third year in which 476 trees had been removed and 120 planted.

Mr. Ramer asked if the Operating Budget for the Department had any reserve due to unfilled employee vacancies. Mr. Spaman replied that some of the work had been outsourced, and that TOG is now buying the new plants and the Tree Conservancy is planting them.

Grass Island Drainage – Mr. Siciliano commented that the project was underway.

Ferry Drydock – Mr. Johnson asked about the expenditure of \$250K for the three passenger boats. Mr. Goldrick asked when the boats should be replaced rather than spending on maintenance. Mr. Blankley offered that although the boats were as old as 76 years, their classic design and 16 weeks of annual usage didn't merit replacement because they still were passing Coast Guard inspection and recertification whereas new boats would cost approximately \$4million to replace.

Sand Replacement – Mr. Johnson asked if grants or Insurance reimbursement for Superstorm Sandy damage would be offsetting this expense. Mr. Siciliano responded that it did not qualify for FEMA or insurance reimbursement.

Launch Ramp Cos Cob – Mr. Ramer asked if dredging should be completed before a ramp to replace the current 1950s ramp. Mr. Siciliano indicated that the Cos Cob permit had a window of three years and might not be accomplished this year. Byram's ramp was permitted for replacement in two years.

Vehicles – Mr. Johnson asked how many vehicles Park & Recreation had and Mr. Sicilian responded that there were about 75 vehicles; the new vehicles being requested were replacements not additions to the fleet.

PUBLIC WORKS

GHS Soils – Ms. Seibert advised the Committee that DPW would do widespread testing of GHS soil during the school's summer recess. The plan would be to do an extensive pattern and deeper sampling in the proposed new auditorium area as well as around the old auditorium which would be demolished.

Mr. Johnson asked Ms. Seibert if there was concurrence from DEEP, EPA and the Health Department on a remedial action plan and what could be done if approvals were not received. Ms. Seibert responded that only \$300K of \$800K had been spent on soil testing to date so funds were adequate for ongoing monitoring, testing and lab costs. A study of underground drainage in the SW corner of the parking lot and other storm drains would be undertaken.

Ms. Tarkington asked if there was an adequate contingency and Ms. Seibert responded that she was comfortable with the amount was budgeted over two years.

Highway Repair - Mr. Finger asked Mr. Roberto if the \$2 to \$2.5million budgeted for highway repair would be adequate given the unusual weather damage this year. Mr. Roberto replied that the department had the capacity to do as much as \$5 to 6million of work in a year's time but that he felt the \$2million was adequate at this time.

Capital Appropriations – Mr. Johnson asked Ms. Seibert about Capital Appropriations in DPW's Budget that could be returned to the General Fund. Ms. Seibert responded that many of the items had already been returned in preparation for today's meeting. She estimated that as much as \$1.3-million had been returned.

Byram Master Plan - Mr. Monelli commented that current appropriations were waiting for Land Use approvals and \$200k requested for FY 2015 would be spent during that budget year.

The Byram Pool location and elevation was discussed. Ms. Tarkington asked about the demolition of 7 current buildings in the flood zone and placement of 2 new ones. Mr. Johnson asked how the capacity of 300 would be tracked and distributed between the pool and beach. Mr. Finger inquired about the adequacy of parking space. Ms. Kiernan asked when fundraising could begin. Mr. Monelli and Ms. Seibert responded that capacity was based on not having to increase sewer capacity. Monitoring incoming and exiting traffic would be key to not exceeding capacity limits so that two monitoring/ticket taking points would be manned during park hours. They added that the Byram Park location, parking capacity and scheduling of baseball games late in the day created limitations that helped control visitation

Ms. Rogers and Ms. Lyall announced the Junior League's Board approval of the second \$20K contribution to the planning and design of the pool was conditioned upon the TOG's \$200K Budget commitment. A further Junior League meeting of the membership would be occurring on March 5, 2014. They stated that their fundraising could begin when renderings were drawn following expected land use approvals.

Sewer Projects and others – postponed until February 25, 2014 meeting

VOLUNTEER FIRE CHIEFS

Representatives of Greenwich's 167 Volunteer Firefighters asked the Committee to review whether existing personnel could meet the needs of the Fire Department rather than hiring additional career firefighters. Mr. Napolitano pointed out that NFPA standards applied by the Fire Administration to measure response time and full-complement arrival time compliance were based on urban and suburban locations whereas rural standards might be more appropriate for areas of NW Greenwich because of less dense population.

Mr. Johnson asked about the motivation and commitment of volunteer fire fighters in all volunteer fire houses versus career dominated fire houses. Mr. Napolitano asked for more opportunities to be of assistance.

Mr. Ramer pointed out that since chemistry and leadership were critical to integrating the volunteers, the Town Chief could develop joint training that would build the level of assurance and trust needed for teams. He mentioned that in the past Greenwich's fire brigade had been composed 100% of volunteers and that the tradition was embedded in the community. He proposed that the Chief lay out a working protocol of integrating the career and volunteer fire fighters by shift, by number on call and through training that would build rapport and mutual respect.

Mr. Mason encouraged the career firemen to consider different standards of integration in different parts of town so that the taxpayers were not overburdened. Ms. Kiernan asked if this topic had been explored with nearby communities so that new solutions might be discovered.

Mr. Johnson extending his thanks to both the career and volunteer fire fighters for their dedication to the community and asked to hear the results of starting a dialogue before rapidly approaching budget process deadlines.

The meeting adjourned at 5:15 P.M.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Marc V. Johnson, Chairman