

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE
DEPARTMENTAL REVIEW FY2020-2021 DAY #6 MINUTES**

**Town Hall Meeting Room – 9:00 A.M.
Monday, February 10, 2020**

Present:

Committee: Leslie Tarkington, Chair; Debra Hess, Leslie Moriarty, Jeffrey S. Ramer

Staff: Lauren Elliot, Assessor, Assessor's Office; Angela Gencarelli, Ass't. Budget & Systems Manager, Finance Department (Dept.); Roland Gieger, Budget & Systems Director, Finance Dept.; Alison Graham, Manager, Employee Benefits, HR Dep.t; Peter Kurpeawski, Planning & Program Manager, Highway, Dept. of Public Works (DPW); Martha Mark, Accounts Payable, Finance Dept.; William McCormick, Manager, Business Services, DPW; James Michel, Deputy Commissioner, DPW; Taylor Minter, Assessor Statistician, Assessor's Office; Peter Mynarski, Comptroller, Finance Dept.; Mary Pepe, Director, Human Resources Dept.; Amy Siebert, Commissioner, DPW; Heather Smeriglio, Tax Collector; Maureen Tracey, Chief Accountant, Finance Dept.

Board: Michael Mason, BET Chairman; William Drake, Andreas Duus, Laura Erickson, Karen Fassuliotis, Miriam Kreuzer, Elizabeth K. Krumeich, David Weisbrod

Selectmen: Jill Oberlander, Select-person

RTM: Candace Garthwaite, (D-6), Chair, Budget Overview Cmte. (BOC); Lucia Jansen, (D-7) BOC, Chair; Danyal Ozizmir, (D-5) BOC, Vice Chair, Labor Contracts Cmte., Chair

Other: Ken Borsuk, Reporter, *The Greenwich Time*

Budget Committee Chair Tarkington called the meeting to order at 9:03 A.M.

FINANCE

Operating – Mr. Mynarski reviewed the Finance department workflows and budget. He indicated the consulting budget is included at \$175,000, which is lower than the current year that had multiple special projects. He indicated that charges for credit card fees, estimated at \$88,000, are being centralized in the Finance Department Budget so as not to disincentivize departments from promoting non-cash alternatives to payments. He identified several cost savings and improved efficiency projects, like changing the payables processes from paper to electronic and cash management tracking to be moved to MUNIS.

FIXED CHARGES and REVENUES

Mr. Mynarski provided an overview of the Fixed Charges budget accounts, \$170,730,768, with the projected overall increase of \$ 9,175,759 or 5.7%. The largest dollar increases as follows:

- Healthcare Costs of \$5,086,000 or 10.0% at the renewal date of May 1, 2020. The projected rate reflects an 8% increase plus an additional 2% legislated as regional care-cost differential. He noted Town claims are \$5 million over the premiums for 6 months, so being part of the State's pool has been an advantage for the Town.
- Pension Contribution to the Defined Benefit plan increasing \$2,384,000 or 12.2% due to Retirement Board account assumptions, five-year smoothing of investment losses and accounting for COLA in the new Police Department contract.
- OPEB contribution is declining due to the lower healthcare costs from the State plan and due to the benefit of settling some worker's compensation claims.
- Debt Service of \$1,620,000 or 3.7%.
- Contribution to Capital of \$1,460,000 or 17.4%.

Mr. Mynarski noted several significant factors impacting financials including:

- Sick and vacation payouts to long-time employees retiring.
- Increase in cost of Town employees' group life policy.
- Addition of regional charge for delivery of State Partnership Healthcare Plan to Fairfield County participants.
- Change of workers' compensation administrator and fee structure, noting the Town's focus on safety has resulted in a consistent reduction of claims.
- Increased premium for Town insurance.
- A review to update the Transfer From/To Other Funds budget line.

Mr. Gieger was asked to clarify the policy for the handling of the Special Education reimbursements from the State and whether they go to the General Fund or become appropriations for the BOE. An amendment was requested to increase the Finance Department budget by \$10,000 to cover an increase in bank and credit card fees to be transferred from individual departments to the Finance Department budget.

Mr. Mynarski indicated the following changes can be considered by the BET:

- Change in Grand List due to BAA (assumed to be \$85 million).
- Increased Parks & Recreation revenue due to increased fees that have been approved but not reflected in the proposed budget.
- Increased interest revenue on investments.
- Increased revenue from price increase for parking permits and collections that have been approved but not reflected in the proposed budget.

Revenue Presentation

Mr. Mynarski reviewed the key revenue components of the Town – conveyance taxes, building permits, State grants, and interest income on investments. Mr. Mynarski noted that the Town's Grand List is the largest in the state. The proposed Budget reflects a preliminary Grand List that is subject to adjustment by the Board of Assessment Appeals (BAA). Property tax revenue is also impacted by the State Elderly Tax Relief, Town Elderly Tax Relief and an estimated loss on collections which assumes a 99.35% collection rate.

Several circumstances that could affect the amount of property tax revenue required and thus a mill rate change:

- A change in tax settlements.

- A change in estimated loss from tax collections.
- A change in the amount dedicated to fulfilling Senior Tax Relief applications.
- Increases or decreases in top revenue contribution sources such as: conveyance fees, building permits, parking fines, earned interest and/or cancellation of encumbrances.

ASSESSOR

Ms. Elliott, the Assessor, commented that the Town's 2019 Grand List (assessed value \$3,612,791,140 net of adjustments) showed a growth of \$261 million primarily due to new residential construction permits. She noted that 968 properties are tax exempt. The pending Aquarion Water Company sale of property to the Greenwich Land Trust and Town was cited as a current example of a large taxable property becoming tax exempt. The measurement and listing of all residential properties for the 2020 Revaluation is anticipated to be completed by the end of March. The Assessor reviewed each Greenwich district's residential properties using the State's Office of Policy & Management (OPM) standards to compare the 2015 Revaluation value with its current Fair Market Value based on recent sales data. Ms. Elliott was asked to provide a breakdown of exempt properties.

The Committee asked Ms. Elliott if post-construction inspections to verify the accuracy of Building Permit pre-construction fees was feasible. A historical comparison of actual utilization vs projected Elderly Tax Relief calculations was requested by the Committee.

TAX COLLECTOR

Ms. Smeriglio, the Tax Collector, reviewed the volume of collections from various sources and their methods of tax payments including: direct payments into the Town's lockbox at TD Bank, bank or mortgage company escrow tax receipts, in-person payment at the Tax Department, e-checks and credit card online payments totaling \$388,750,000. Ranked in order of volume: mailed checks, bank escrow disbursements, in-person Tax Department and online payments. The Committee was assured that all deficiencies identified in the previous year's Internal Audit had been corrected.

HIGHWAY DEPARTMENT

The Committee asked for the staffing model, salary and dedicated overtime and dumping fees for seasonal projects such as leaf collection/disposal, snow plowing and pothole repair. It was estimated that the total cost for leaf collection was about \$500,000, with \$250,000 of that being incremental cost for disposal and overtime. It was noted that this service is offered to properties in R-20 and lower zoned parcels and that it benefits the Town by picking up leaves from Town trees and clearing catch basins. The Committee discussed the Stormwater Master Plan status, noting that the review of the Byram area is nearing completion with a recommendation of a \$30 million project of which the Town will need to fund \$7.5 million. The Strickland Brook project continues to pose challenges in design given the goals of the project versus existing development in the area. There was a discussion of the Stormwater Compliance Program status and ongoing funding needs. Capital open items were reviewed for close out of encumbrances and approximately \$1.7 million was identified.

A status report including a project management protocol for major projects was provided:

- Components of the Greenwich Avenue Streetscape.
- State reimbursement expectations for bridge maintenance and paving.

- Coordination with BOE and Parks & Recreation on athletic fields and related soil remediation projects.

The Committee requested a schematic of Greenwich Avenue lighting and intersection improvements and an updated master project work plan.

There being no further business before the Committee, the meeting adjourned at 4:18 P.M.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Leslie L. Tarkington, Committee Chair

SUBJECT TO APPROVAL