

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

**DEPARTMENTAL REVIEW DAY TWO FOR FY15 BUDGET
MINUTES**

**Town Hall Meeting Room – 9:00 A.M.
Monday, February 10, 2014**

Present:

Committee: Marc V. Johnson, Chairman; Mary Lee Kiernan, Jeffrey S. Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller, Roland Gieger, Budget Director, Peter Tesei, First Selectman, John Crary, Town Administrator

Board: John Blankley, Bill Drake, William Finger, Sean Goldrick, Randall Huffman, Michael Mason, Arthur D. Norton, Nancy Weissler

Others: John Chadwick and Laurence Simon, Retirement Board Trustees, Melissa Crowther and Alison Graham, Retirement Administration, Amy Siebert, Commissioner of Public Works, David Thompson, Deputy Commissioner of Public Works, Alan Monelli, Superintendent of Public Works Building Construction and Maintenance, William McCormick, Public Works Business Services Manager, Joseph Roberto, DPW Highway Superintendent, James Michel, DPW Chief Engineer, Jay Domeseck, Fleet Manager, Charlee Tufts, Greenwich Emergency Management Services, John Strong, GEMS Chief Financial Officer, Dick Kriskey, Chairman of the GEMS Board, Mary Pepe, Director of Human Resources, Erica Mahoney, Assistant Director of Human Resources, Al Cava, Director of Labor Relations, William Marr, Building Official, Richard Feminella, Waste Water Divisions Manager

Mr. Johnson called the meeting to order at 9:00 A.M.

SPEAKERS

1. **Retirement Administration** – The Retirement Administration budget was presented by Mr. Simon. Mr. Simon alerted the Committee Members that there will be changes to the Summary Plan Document for the Town of Greenwich Retirement System over the next few years. He said that those changes will be primarily in the areas of 1) changing the interest rate in the administrative assumptions from 8% to 7% to match the actuary report, 2) updating the mortality table from the 1979 table to the most current version of 2000, 3) add a COLA (cost of living increases) to the administrative assumptions and 4) changing the interest applied to employee contributions and the accumulation fund from the five year treasury rates to a rate that the Retirement Board will propose after further analysis.

The Committee had budgetary questions in the following areas:

- **Account #51010 (Regular Salaries)** – Mr. Simon introduced Melissa Crowther as the Retirement Administrator and stated she is paid out of this account. He added the 6.1% increase represents a raise and step increase to Ms. Crowther that is contractual.
- **Account #51400 (Professional and Other Special Services – Attorneys)** – Mr. Mynarski told the Committee these are funds for legal expenses when there is a need to use them, relative to Retirement Board matters such as updates to the Summary Plan Document.
- **Account #51490 (Professional and Other)** – Mr. Simon and Mr. Mynarski told the Committee these are predominantly to pay management fees to money managers of the fund. In addition the decrease in the budgetary request is attributed to a change in the payment methodology. Instead of paying the fees through an appropriation, the fees are embedded in the accounts of the respective money managers in some cases, not all cases.
- **Account #51920 (Work Transfer To/From Other Department)** – It was explained that this function has been transferred from a stand-alone department to be reportable to the Human Resources Department. With the reduction of staffing of two to one, some of the responsibilities have been transferred to Human Resources personnel and are subsequently transferred or charged back to the Retirement Fund.

2. **Public Works** – The multi-divisional Public Works (DPW) budget was presented by Amy Siebert, Commissioner of Public Works, and assisted by a number of other Public Works officials. Initially Mr. Johnson wanted to discuss revenues before going into a division by division review of the DPW budget. Ms. Siebert was asked to discuss revenues DPW receives and talk about the feasibility of charging tipping fees.

Ms. Siebert stated that DPW receives revenues for organics and solid waste. She said they have a contract with City Carting for the transportation and final disposal of its municipal solid waste and recycling. Under the terms of the contract, the Town pays City Carting \$87.60 per ton for solid waste during calendar 2013. Ms. Siebert added that City Carting pays the Town a \$17.50 rebate for each ton of recyclables.

Mr. Goldrick asked how much is recycled. Mr. McCormick answered that they recycle about 13,000 tons for about \$227,000 in revenues.

There was a general discussion about charging tipping fees. It was reported that Greenwich may be the only municipality in the State of Connecticut that does not charging tipping fees on municipal solid waste.

Ms. Weissler asked if DPW could quantify how much revenue could be generated with the imposition of a tipping fee. Ms. Siebert said that first of all, you would have to determine how much to charge. She thought that you would want to recoup your costs to haul it away. As stated earlier, she said it cost \$87.60 per ton to haul municipal solid waste. If you added in administrative costs, Ms. Siebert thought that a fair charge would be about \$100 per ton. Ms. Siebert concluded that if you set the fee at \$100 per ton and charge for about 45,000 tons, the Town could generate about \$4.5 million in revenue from tipping fees.

When asked about the possibility of setting a tipping fee, Mr. Crary responded that the first step would have to be an ordinance change initiated by the First Selectman and passed by the Board of Selectman. Mr. Crary said he didn't see any activity coming from the First Selectman at this time regarding the imposition of a tipping fee to haul away municipal solid waste. If enacted by the Board of Selectman, it would have to go to the Representative Town Meeting (RTM) for approval.

The revenue discussions concluded and Mr. Johnson asked Ms. Siebert to lead the Committee through the DPW budget. The following are highlights of the DPW budget requests for FY 2014-2015:

- **301 – DPW – Administration - Account #51300 (Temporary Salaries)** – Ms. Siebert reported that this account is used to pay interns over the summer in 4 DPW divisions. Ms. Kiernan asked Ms. Siebert about her impressions on the implementation of a new payroll system. Ms. Siebert reported enthusiastically that she and her staff can't wait. She feels it is going to be a much more efficient way to pay employees.
- **302 – DPW – Engineering Division – Account 52150 (Office Services)** – The Committee asked about the large increase to this account. Mr. McCormick reported that this request is to pay for the Byram River flood gauge monitoring. Mr. McCormick pointed out that previously it was accounted for in another Account #302-52950, explaining the difference.

Ms. Tarkington had a question about charging DPW employees to the Parking Fund. Mr. Gieger and Mr. McCormick gave the Committee an historical perspective on charging employees to the Parking Fund over the years.

Mr. Johnson asked about the progress of the 311 system. Ms. Siebert responded that the implementation of the 311 system is originating in the Parks and Recreation Department and DPW hasn't experienced the roll out yet on the 311 system.

- **312 – DPW – Highway – Streets and Bridges – Account #51100 (Overtime Services)** – The Committee asked about what goes into this account. Ms. Siebert answered that this account is basically to support the leaf removal program, paving and storms. There was an extended discussion about the leaf pickup program. The discussion centered on the timing of the pickup program and the impact of early snow storms.

Mr. Ramer asked if \$500,000 was enough for this account with all of the storm activity in recent years and especially this year. Ms. Siebert explained the snow removal program is composed of 26 routes with 26 large snow plowing trucks. She added the program is supplemented with a number of small pickup plowers and a number of independent contractors assisting during storms and charged to other accounts. For example, outside contractors are budgeted to Account #52300 (Rental of Automotive, etc.) for \$215,000 and snow and ice control is budgeted to Account #51300 (Temporary Salaries) for \$170,000.

- **315 – DPW – BOE Projects Done by DPW** – The Committee thought that this function was done by Parks and Recreation personnel. Mr. Roberto said that DPW manages Parks and Recreation personnel to work on BOE snow removal projects. Therefore, the

management of the snow removal process is charged to the DPW accounts and the actual snow removal is charged to applicable Parks and Recreation accounts.

- **321 – DPW – Waste Disposal – Account #51010 (Regular Salaries)** – The Committee wanted to know why the regular salaries went down by 9.4%. Ms. Siebert explained that there was reorganization in the Waste Disposal Division which accounts for the lowering of salaries.
- **321 – DPW – Waste Disposal – Account #52510 (Waste Removal Services)** – Ms. Siebert told the Committee that this is where they charge the City Carting contract for the hauling away of municipal solid waste. She explained that they had a 15 year contract, renewable every five years. However, Ms. Siebert said that they renegotiated the contract for a higher rate this June 30, 2014 based on actual tonnage being hauled. However, Ms. Siebert also said that the Town used to pay about \$1.2 million more in haul-a-way costs before going to single stream recycling.
- **345 – DPW – Building Construction and Maintenance – Account #51300 (Temporary Salaries)** – The Committee asked what this account was used for and Mr. Monelli explained that it used to pay the part-time custodians and maintenance mechanics.
- **345 – DPW – Building Construction and Maintenance – Account #51100 (Overtime)** – Mr. Monelli told the Committee that this is overtime for emergency call outs for evenings and weekends for maintenance crews.
- **351 – DPW – Building Inspection** – Mr. Ramer started the review of the Building Inspection Division by questioning Mr. Marr on the equalization of building permit values to final construction values. Mr. Ramer felt that there was an inequity between the values permittees are estimating for construction costs and what the actual values end up being. Mr. Marr agreed and responded that there is a mechanism in place to correct these inequities. Mr. Marr stated that they coordinate the final value with the Assessor's office that put an assessed value on a change to a property before the Certificate of Occupancy is issued. Mr. Marr stated that the Building Department would issue an amended bill to the permittee when the final value has been determined.

Mr. Johnson asked Mr. Marr about the usage of two software applications in the Building Department; Cornerstone and CityView. Mr. Marr said that they use both. Unfortunately, he added that Cornerstone is going out of business and will have to be replaced. Mr. Marr told the Committee that CityView is not completely adequate for the needs of the Building Department's permitting process.

Ms. Tarkington asked when was the last time the building permit fees were increased. Mr. Marr said about 2 years ago.

The Committee asked Mr. Marr to justify the request for a new position. Mr. Marr started by saying that the Building Inspection Division is the gatekeeper for the building permit process activity. Mr. Marr told the Committee that they have a very capable individual who reviews 100% of all building permits applications initially. He also reviews 70% of those applications for approvals. They are mainly residential permits. Ms. Siebert and Mr. Marr pointed out that there will be substantive changes to the State of Connecticut

Building Code, effective February 28, 2014 that will further burden the permit review process. Mr. Marr stated that this code change is the basis for the request for a Plan Examiner to spell the current Permit Coordinator and facilitate the process for the public. Mr. Marr told the Committee that Greenwich is unique in that you can walk in without an appointment, unlike other municipal building departments in the State of Connecticut that require appointments.

3. **Fleet Department** – Jay Domeseck, the Fleet Director, appeared to present the Fleet – Vehicle Maintenance budget. Mr. Domeseck distributed a vehicle replacement schedule and said that he would answer any questions relative to his budget. The Committee went over the Fleet Department budget and commented on the following accounts:

- **Account #51010 (Salaries)** – Mr. Domeseck told the Committee that the 3.2% increase was contractual. Mr. Ramer asked if they are still experiencing workers' compensation issues in the Fleet Department. Mr. Domeseck responded that they had one workers' compensation claim in the last year. He added that it has gotten a lot better and they are not experiencing the same level of absenteeism from workers' compensation claims as they had in previous years.
- **Account #51490 (Professional and Other Special Services)** – Mr. Domeseck said that the increase in this account was due to the acquisition of an AssetWorks Fleet Maintenance software product. He said that the MUNIS software application support is lacking and they will be moving away from the Town's server to this product, which will be hosting the software application. Mr. Domeseck said it is a one-time purchase cost of \$22,000 and there will be a monthly maintenance charge of \$1,650 that will be charged to Account #54210 (Maintenance – Data/World Processing) which also explains the 24.5% increase in this account. This discussion prompted a question from Mr. Finger on whether the Town should be outsourcing the entire Information Technology function. The Committee asked Mr. Cray on what will be the priorities when the Town hires a new Information Technology (I.T.) Director. Mr. Cray responded that priorities of the new I.T. Director will be: implementing the 311 system; following up on the recommendations in the Blum and Shapiro Information Technology Strategic Plan; and working on CityView issues; among others.
- **Account #54250 (Maintenance of Automotive Equipment)** – Mr. Ramer asked if this account is used to pay for outsourcing of fleet maintenance and if the Town is outsourcing less. Mr. Domeseck answered yes and added that this account is for outsourcing that cannot be done in house such as accident repairs. Mr. Domeseck said they do a lot of the basic repair and maintenance work in house, but do not have the diagnostic computer equipment to do specialized repairs.
- **Account #54920 (Work Transfers To/From Other Departments)** – The Committee asked Mr. Domeseck what this account is for. Mr. Domeseck stated that they have a charge back system linked to the Risk Manager's budget in the Fixed Charges for vendor work to repair Town vehicles damaged.

The Committee recessed at 12:42 P.M. for lunch and reconvened at 1:06 P.M.

4. **GREENWICH EMERGENCY MEDICAL SERVICE, Inc. (GEMS)** – The GEMS budget request was presented by Charlee Tufts, GEMS Executive Director, and John Strong,

GEMS Fiscal Officer. Mr. Strong reconciled the increase in the budget request for the Committee from the FY 2013-2014 budget request to the FY 2014-2015 budget request. He stated that the previous year's budget request was for \$4,274,600. There were favorable revenue variances for \$113,666 and unfavorable expense increases for \$224,975, leaving an incremental increase of \$111,309 and a total request of \$4,385,909 that translates into a 2.6% increase.

Mr. Ramer told Ms. Tufts that the Committee had interviewed the Police Department earlier in the budget process and informed her that Police officials claimed that Police officers are usually the first responders to medical emergencies for a majority of the calls for assistance. Ms. Tufts affirmed that statement. She said they have 4 active ambulances positioned to take emergency calls and the police are usually there first, because they maintain a larger presence in the Town.

Mr. Ramer asked what appeared to be a basic question as to the number of full-time employees working for GEMS. An initial response to full-time headcount from Ms. Tufts was contradicted by Mr. Strong. Mr. Finger referred to notes he had from last year's GEMS budget presentation that contradicted both sets of numbers from Mr. Strong and Ms. Tufts. The Committee then proceeded to slowly reconcile the numbers with GEMS officials by using the GEMS Table of Organization. It was determined, per the GEMS Table of Organization, that GEMS has 42 full-time employees. Of that number, 29 are full-time Paramedics and EMT's and there are 23 per diem Paramedics and EMT's. In addition there are 2 part-time Training Division personnel.

Mr. Strong and Ms. Tufts then proceeded to discuss Revenue topics such as; call volume, billing rates, Medicare rates and collection rates. They also discussed operating expenses.

Mr. Finger asked about the number of patients transported to Greenwich Hospital. Ms. Tufts responded that about 92% of their calls, if transported to a facility, will be sent to Greenwich Hospital.

Ms. Kiernan asked Mr. Strong and Ms. Tufts about a previous RTM request for presenting their budget by major object codes used by Town Departments and whether GEMS would do this for the Budget Committee. Mr. Strong replied that this would not be difficult and Mr. Geiger agreed to provide the format. Mr. Johnson asked if a chart using full-time and part-time positions could be provided. Mr. Strong said yes and would work with Mr. Geiger to provide that information.

5. **Human Resources** – The Human Resources Department budget was presented by Mary Pepe, Director of Human Resources. Mr. Johnson asked Ms. Pepe to update the Committee on the status of the Human Capital Management System (HCMS). Ms. Pepe responded that the implementation process has started. She said that Automated Data Processing (ADP) has been working full-time in Town Hall for a number of weeks. Ms. Pepe said that they had initially planned on a “go live” date for the first ADP payroll of July 1, 2014. However, she conceded that goal was too ambitious and the “go live” date is October 1, 2014. Ms. Pepe stated that the impact of the ADP system will result in a headcount reduction in Account #51010 (Regular Salaries) of 5 Payroll Processors. She said that one Payroll Processor has transferred out of Payroll and another is planning to retire shortly, leaving a potential lay off of three Payroll Processors. Ms. Pepe also said that the remaining payroll personnel positions will have the job descriptions rewritten to be better reflective of Human Resources Information System (HRIS) positions. The following accounts were commented on:

- **Account #52360 (Rental/Maintenance Software)** – Ms. Pepe told the Committee that the cost of processing payroll with ADP is reflected in this account. She added that this is only 9 months of payroll processing, because they don't have to start paying ADP until they go live. ADP will continue to be paid out of the HCMS Capital Project until that event. Ms. Pepe clarified the cost by saying that the annual cost for ADP processing in the first year should be approximately \$800,000. The Committee asked Ms. Pepe if she could quantify the cost savings. Ms. Pepe responded that annual savings from the headcount reduction of 5 payroll processors amounts to about \$337,000 in salaries and an additional \$203,000 in savings for the benefit costs from these reductions. Ms. Pepe told the Committee that there would be about an annual saving of about \$65,000 by not using the MUNIS Payroll module and another \$170,000 by bringing some employee benefits processing in house and discontinuing outside vendor usage such as USI, Inc. Finally, Ms. Pepe said there could be another \$30,000 annual savings by not using other contracted services related to payroll and employee benefits processing.

6. **Labor Relations** – Mr. Cava began by handing out a “Collective Bargaining Agreement Status” matrix, as of January 1, 2014. He said that the only contracts currently under negotiation and open are the Silver Shield Association and Teamster Local 456 contracts, both expiring June 30, 2014.

After a further review of the status of other contracts, Mr. Johnson asked Mr. Cava to tell the Committee what is the overriding issue in labor relations these days. Mr. Cava stated that healthcare, relative to contract issues, is the most important topic currently. The Committee discussed Defined Benefit and Defined Contribution Plans and the options for public safety employees.

Going back to healthcare, Mr. Ramer and Ms. Tarkington asked Mr. Cava if he could elaborate on the Affordable Care Act and its impact on the Town's budget. Mr. Cava told the Committee that in 2018, under current contract conditions and health plans the Town are currently under, the excise tax penalty could be as high as \$14 to \$15 million. However, he did say the Town is trying to negotiate employees into higher deductible plans that could potentially lessen the excise tax penalty.

At this point, the Committee informed Mr. Cava they would like to discuss in further detail certain staffing and labor contractual issues. Mr. Ramer made a motion to go into executive session, seconded by Ms. Tarkington. The Committee voted 4 to 0 to go into executive session at 2:35 P.M. In attendance during the executive session were BET Members Blankley, Huffman, Mason, Drake, Weissler, Johnson, Kiernan, Tarkington and Ramer. Also in attendance were Messrs. Mynarski, Gieger and Cray. At 3:01 P. M., Mr. Ramer made a motion to come out of executive session, seconded by Ms. Tarkington. The vote carried 4 to 0 to come out of executive session.

Mr. Johnson took the liberty to ask Mr. Cray to comment on the First Selectman's budget since he was in attendance. Mr. Cray said it was pretty basic and reminded the Committee that the First Selectman's budget moved \$96,000 to external entities in the current 2013-2014 budget for funding of SWRCC and CCM.

Mr. Ramer also wanted to take the opportunity to offer an opinion on the issue of making the Tax Collector's position an appointed one, as opposed to an elected position. Mr. Ramer strongly stressed the fact that his recommendation did not reflect in any way on the

incumbent Tax Collector. He stated that his recommendation is one that would not take effect for a number of years, not to harm the incumbent.

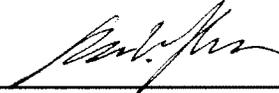
In conclusion, Mr. Mason told the BET Members in attendance that he would be scheduling a budgeting session the following week to discuss hot button budget items, similar to what they did last year.

The meeting adjourned at 3:10 P.M.

Respectfully submitted,



Peter Mynarski, Recording Secretary



Marc V. Johnson, Chairman