Present:

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

Staff:  
Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ed Gomeau, Town Administrator; Joseph Siciliano, Tom Greco, Parks and Recreation Department; Aamina Ahmad, Law Department; Alan Corry, Parking Services; Jim Lavin

Board:  
Nancy Barton, Jim Himes, Arthur Norton, William Finger, Alma Rutgers, Robert Stone, Leslie Tarkington, Peter Tesei

Ex Officio Board Member: James Lash, First Selectman

The meeting was called to order at 6:32 P.M.

PS-1 PARKING SERVICES – Transfer -$60,000

Request for transfer:  

<table>
<thead>
<tr>
<th>Amount</th>
<th>From</th>
<th>To</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td></td>
<td>G-219-53550</td>
<td>Mechanical Supplies</td>
</tr>
<tr>
<td>$50,000</td>
<td></td>
<td>G-219-54020</td>
<td>Parking Area Maintenance</td>
</tr>
<tr>
<td>$60,000</td>
<td>G-219-51920</td>
<td></td>
<td>Transfer to/from Other Depts.</td>
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This request is being made to transfer money to the supply accounts for tools and spare meter parts and to perform maintenance on the Parking Deck. Work on the deck will include fixing the light fixtures, painting the guard rails and making some structural repairs.

Alan Corry presented this request to the Committee. Mr. Corry explained that when the budget was forecast last year, insufficient funds were projected for this work to be transferred from other departments, depleting the funds.  

In response to a question from Mr. Walko as to the flow of funds, Mr. Gieger responded that some of the items are done on an allocation basis.  

Mr. Gomeau stated in some cases, actual costs exceeded anticipated amounts. Parking Services were formally tied into DPW, so this procedure is fairly new.
Mr. Gieger stated that the last piece to come out of the Work Transfer To/From Other Departments account will be the police officers on Greenwich Avenue, at $323,000, which will leave a balance of approximately $140,000. No other transfers are anticipated from this account.

Mr. Walko asked if the maintenance on the parking decks would be considered a capital item. Mr. Corry said that this is a maintenance item, along with lighting upgrades and painting. Further money for the parking decks is allocated in the FY2006-07 budget, making this request in addition to soon to be appropriated funds. Ultimately, parking decks will be on the maintenance plan. Mr. Corry will setup the deferred maintenance schedule in coordination with DPW.

In response to a question from Mr. Walko, Mr. Corry stated that this maintenance plan can be expected for the February 2007 budget deliberations.

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

PR-1 PARKS AND RECREATION DEPARTMENT- Transfer- $11,679

Request for Transfer:

<table>
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<th>Amount</th>
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<th>To</th>
<th>Description</th>
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</thead>
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<tr>
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<td>A-811-51010</td>
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<td>$600</td>
<td>A-812-51300</td>
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<td>Temp Services</td>
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<tr>
<td>$1,500</td>
<td>A-815-51300</td>
<td></td>
<td>Temp Services</td>
</tr>
<tr>
<td>$500</td>
<td>A-815-54020</td>
<td></td>
<td>Maint of Parking Areas</td>
</tr>
<tr>
<td>$2,400</td>
<td>A-815-54350</td>
<td></td>
<td>Maint of Roads, Bridges</td>
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<tr>
<td>$2,979</td>
<td>A-817-51070</td>
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<td>Other Salary Expenses</td>
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<td>$545</td>
<td>A-817-52110</td>
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<td>Telephone, Telegraph</td>
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<td>$2,255</td>
<td>A-817-52320</td>
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<td>Rental of Other Equipment</td>
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<td>$100</td>
<td>A-817-53310</td>
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<td>Personal protective Equipment</td>
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To provide funding for:
1. LIUNA employee increases budgeted below the actual contract settlement;
2. Payment of town employees for work done to support vendor events. While customers are billed, there is no provision in the current budget cycle to apply the revenue to these expenses. The 2006-07 recommended budget contains a resolution to address this issue.

Mr. Siciliano presented this request to the Committee. He explained that the money is needed to pay full time personnel for special events that occur at the Eastern Greenwich Civic Center. The payment of overtime is currently done through the payroll service.

In response to a question from Mr. Walko as to how the LIUNA contract ties in, Mr. Siciliano stated that when the LIUNA contract was settled, there was a $600 deficiency.
The Committee voted unanimously to approve the request and forward it to the Board of Estimate and Taxation as a routine application.

EXECUTIVE SESSION:

The committee voted unanimously to enter into executive session at 6:47 to discuss a settlement of legal claims.

In attendance were:
Roland Gieger: Budget Director
Peter Mynarski: Comptroller
Aamina Ahmad: Law Department
Ed Gomeau: Town Administrator
Mmes: Barton, Rutgers, and Tarkington: current BET
Jim Lash, Ex Officio BET

The committee voted unanimously to conclude the executive session and resume the regular meeting at 6:52 PM.

SE-1 First Selectman-Additional Appropriation- $17,500

Request for additional appropriation:
$17,500 to P-935-57350 Settlement
$17,500 from Risk Fund Balance

This is to respectfully request an appropriation of $17,500 for the property damage settlement of Pollak v. Town of Greenwich. The settlement has been approved by the Board of Selectmen, the Claims Committee of the RTM, and the Law Committee of the Board of Estimate and Taxation.

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

RF-1 BET-RETIREMENT-Release of Conditions- $1,200,000

Request for release of conditions:
$1,200,000 to A-131-51490 Professional Services

This is a request that the Board of Estimate and Taxation release $1.2 million. These funds are required to pay investment management professional service contracts for the $318 million Retirement Fund.
Mr. Lavin presented this request to the Committee. The summary plan of the Town of Greenwich Retirement System Working Copy has been updated through January 2006. The last major update took place in February 2002. The investment policy that was completed by the Retirement Board in October 2005 has never been included in the Town Charter and will be included in the Plan document. Part of Mr. Lavin's task is to form a suitable draft of the summary plan. Information that is scattered in several different places will be put into the appropriate areas of the document. One of the final documents to be added is the Summary Plan Description (SPD). The SPD will be mailed to current employees over the summer. New employees receive it when they are hired. The goal for completion of draft plan document is December 2006.

Mr. Lavin discussed the Estimator Calculator Project. There are two components to this project. The first is a way to provide employees with their pension information and how to estimate their retirement benefits. The second is to replace the “black box” software for calculating pension allowances.

Employees have for many years been provided annual benefit statements. The Human Resource Department managed this process, as their staff was responsible for both employee benefits and the retirement System. Employees became dissatisfied with the service, as benefit statements were often late and/or inaccurate.

In 2000, after reviewing requests for proposals, the Retirement Board selected USI Consulting Group to provide analysis of the Retirement System. USI’s report was submitted in September 2001, and one of their recommendations was to better automate the pension calculations process, which lead to the Estimator Calculator Project.

In July 2003, the Town sent out a Request for Proposal to obtain a Record Keeper for Defined Benefit/Defined Contribution Plans for the Retirement System. Diversified Investment Advisors, Inc. was selected. In January 2004 all employee accounts were transferred to Diversified from the Hartford Insurance Company, which had managed the 401(k) plan since 1985. In August 2005 access to employee information was made available online. This is an improvement that has proved to be very successful, and replaces the benefit statement process.

For employees not comfortable with web based access, there is also a service for telephone interaction with a consultant.

Sometime in 2004, a contract was negotiated with Diversified for a $90,000 annual fee for the service of the Estimator Calculator project. The contact was signed in 2005 and quarterly payments of $22,500 were made for the service.

The town actuary, EFI has also reviewed the system and made recommendations for ways to improve the service. There will also be an audit to ensure integrity of data.

The ING Clarion Properties contract and the Buckhead Capital Management, Inc. contract have been submitted for Budget Committee Review.

Mr. Walko stated that as matter of process the Budget Committee will not take up review of these contracts. They will flow through the Law Committee and if there are questions at that
point, the Budget Committee will be available. The contracts will then go to the BET for final ratification.

Mr. Simon asked how the SPD could be distributed to employees when the Plan Document is not yet completed. Mr. Lavin responded that he set the schedule for July 2006 because he wanted to distribute it to the employees as soon as he could. Being in summary form makes it less complicated.

Mr. Simon is also concerned with the lack of a list of items yet to be included. Breaks in service are not addressed. Mr. Simon stressed that if these issues are unknown, they need to be made known.

The responsibilities of the employee also need to be clarified.

Mr. Lavin admitted that he needs to do more research and that he is receiving assistance from Shipman and Goodwin, LLP for analysis. He welcomes suggestions and recommendations.

Mr. Simon recommended circulating a list of open items, such as the town’s policy on breaks in service or employee responsibilities, and then update the Plan document and the SPD final version. The goal, Mr. Simon said, should be that when someone retires, all of the circumstances governing their retirement should be in this document. Amendments to the document should also be included.

In response to a question from Mr. Walko about the process by which the draft plan is adopted, Mr. Lavin responded that this is a two step process. The Retirement Board would approve it and the BET would then review it. Mr. Lavin expects this to occur by December. This is one of two ongoing projects for this year. The other project is to bid the payroll and healthcare services. Mr. Lavin has been asked to track the time spent on the Defined Contribution Plan.

In response to a question from Mr. Simon as to the difference between the Defined Contribution Plan and the 401(k) Plan, Mr. Gomeau responded that the former is mandatory and the latter is discretionary. Mr. Lavin added that the two plans are coded and tracked differently. They are separate plans, so separate rules apply.

The Retirement Office monitors compliance with the 401(k) plan. The Retirement Board monitors the compliance of the Retirement Fund.

Mr. Walko was concerned that Mr. Lavin’s duties and the duties of the Retirement Board were mixed. Mr. Lavin expressed that the Retirement Board had the same concerns. The 401(k) plan had been under the Human Resources Department, but it is logical that the Retirement Office handle it.

Mr. Simon asked who checks the 401(k) match to make sure it’s correctly implemented. Mr. Lavin reported that right now, it goes through the MUNIS system to the Retirement Office system, and then goes out to Diversified. Mr. Lavin does not believe there is a check currently done, which is a concern.

Mr. Simon felt that it should not be Mr. Lavin’s responsibility to administer and to monitor the plans. Support services are received from Diversified. A more structured approach to administering retirement benefits is needed, and Mr. Gomeau stated that the Town is looking into these issues, but at the present time could not discuss it.
Discussion turned to the "black box" database. Mr. Simon asked if the database was updated every year with new data, and Mr. Lavin responded that it was done more regularly than that. It is currently being updated for the Managerial Confidential 401(k) information.

Mr. Simon had further concern that retirement benefits were based on the information contained in the database, the accuracy of which is unknown. Mr. Lavin said that currently there is a manual check against the system. Contributions and deficiencies are contained within the system. Mr. Lavin said that his predecessors had done a file search in the Retirement System database, putting the information into a new filing system. Every attempt to ensure accuracy was made. Better record keeping and better methods of recording the data going forward is a concern. When an employee is ready for their final retirement, every effort is made to check all of the records complied over the years. Two or three meetings with the employee are usually held to communicate with them and are another check for accuracy. Although Mr. Lavin believes that the rate of accuracy is quite good, he said that having an audit trail is also beneficial. A new IT consultant with access to database experience has been hired, and Mr. Lavin has been working with him. EFI also reviews any extraordinary or unusual calculations for additional verification.

Mr. Simon noted that there needs to be a process to approve changes to how benefits are administered and eliminate unilateral changes. There is a fiscal impact to these changes.

Mr. Walko stated that these issues rest within the pervue of the Human Resources Committee, and he invited future discussion as to how they would like to proceed with these issues.

Mr. Simon noted that good progress is being made, but structural issues remain and there are still details to resolve.

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

Preliminary Discussions of FY 2006-07 BET Budget Committee monthly topics

Mr. Walko asked the members of the Committee and members of the BET to think about items to be taken up as extra monthly topics for May and June and through the next fiscal year. The Budget Committee will begin looking at the 2007-08 budget in July, with a goal to establish guidelines in September. Ongoing monthly topics will include Risk Management, the Retirement Board, OPEB and the review of capital funds that are going to lapse. Mr. Tesei suggested that in terms of the topic of encumbrance of funds, that a copy of the policy be distributed to the new members of the BET.

Retirement Board- Cost of Living Adjustments (COLA) Resolution

After his review of some of the BET policies, Mr. Walko proposed drafting this resolution into a formal BET policy. Mr. Walko will start the draft and distribute it to the other Committee.
members for their comment. This was acceptable to the other Budget Committee members, and will be taken up at the May BET meeting for review. If it is approved by the BET, there could be a vote on it in June.

The resolution was adopted by the Retirement Board on November 17, 2005, and acknowledges that the Board will exercise its authority to grant post-retirement adjustments solely for the benefit of retired members of the Retirement System who are not covered under the collective bargaining agreement.

**APPROVAL OF MINUTES**

January 31, 2006- Finance Department Presentations, Fixed Charges, Revenue
February 1, 2006- First Selectman’s Budget Presentation
   BOE Budget Presentation
   Public Hearing
February 2, 2006- Capital Budget
February 6, 2006- Department Reviews
February 7, 2006- Department Reviews
February 9, 2006- Consolidation Day
February 14, 2006- Decision Day
March 14, 2006- Regular Budget Committee Meeting

Upon a motion by Mr. Simon, seconded by Mr. Krumeich, the Committee voted unanimously to approve as amended the minutes of the Budget Committee FY 2006-07 Hearings, and the minutes of the March 14, 2006 Regular Budget Committee Meeting.

There being no further business before the committee, upon a motion by Mr. Simon, seconded by Mr. Mason, the Committee voted 4-0-0 to adjourn the meeting at 7:52 P.M.

Respectfully submitted,

Valerie Zebrowski, Recording Secretary

Stephen G. Walko, Chairman