



MINUTES of the Board of Estimate and Taxation Budget Workshop held on Thursday, April 23, 2020 as a virtual webinar in Greenwich, CT.

Michael Mason, BET Chair, called the meeting to order at 9:09 A.M.

Board members in attendance:

Michael S. Mason, Chair
Karen Fassuliotis, Vice Chair
William Drake, Clerk
Andreas Duus III
Laura Erickson
Debra Hess
Miriam L. Kreuzer
Elizabeth K. Krumeich
Leslie Moriarty
Jeffrey S. Ramer
Leslie L. Tarkington
David Weisbrod

Staff: Angela Gencarelli, Assistant Budget & Systems Manager, Finance Department (Dept.); Roland Gieger, Director, Budget & Management Systems, Finance Dept.; Craig Jones, Information Technology (IT) Dept. Consultant; Jenny Larkin, IT Dept. Consultant; Peter Mynarski, Comptroller

RTM: Lucia Jansen (D-7) Chair BOC, member LLC; Danyal Ozizmir, (D-5), member BOC & Chair LLC

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Mr. Mason welcomed BET Members to the BET Budget Workshop. He explained that the Workshop would be an opportunity to share ideas and discuss the budget in these new economic times caused by the Coronavirus health crisis. He shared a multi-column draft of the FY2020-2021 Budget that included the First Selectman's Budget, the BET Budget Committee's recommended Budget assembled after 9 days of meetings, and one column each for the Republican and Democratic Caucuses' proposed changes. Ms. Moriarty commented that the goal would be to talk about the assumptions underlying the budget changes and work together to get to a 'bottom line' consensus. A member on the Board concurred with a statement that the Fund Balance was a "rainy day" fund, and it was raining.

1. 2020-2021 Budget Discussion

Work began with Mr. Gieger updating revenues based on Grand List changes subsequent to Board of Assessment Appeals Hearings. Other revenue adjustments were made to reflect

the post-COVID-19 expectations. Based on the impact of the pandemic, the Committee re-evaluated other revenue estimates: State reimbursements; investment interest; conveyance taxes, building permit revenue, Parks & Recreation beach pass and program revenue and Parking Services revenue. The Board reviewed the Town's experience in previous economic downturns and considered whether operations, services, or capital projects could be cut.

In comparing the two caucuses' budgets, each variance was studied for the short- and long-term impact it would have. Highlights of the proposals are as follows:

The Republican caucus's proposal lowered the revenue forecast by \$5.9 million, lowered healthcare expense by \$900,000, reduced the Budget Committee's recommended FY21 departmental operating expense budgets to the lower of either the FY20 budget or the proposed FY21 budget, which reduced the Budget Committee's recommended Town departments budget by \$1.7 million and reduced the Budget Committee's recommended Schools budget by \$3.1 million. Capital projects were reduced by \$37 million, and the capital tax levy was reduced by \$5.8 million. The use of Fund Balance was increased by \$2.7 million. These changes resulted in a reduction in the mill rate of (0.78)% vs the current year.

The Democrat caucus's proposal lowered the revenue forecast by \$5.7 million, lowered healthcare expense by \$900,000, reduced the Budget Committee's recommended FY21 departmental operating expense budgets to the lower of either the FY20 budget or the proposed FY21 budget, for the Town departments, reduced the Budget Committee's recommended FY21 Schools budget by \$700,000. Capital projects were reduced by \$20 million, and the capital tax levy was reduced by \$2 million. The use of Fund Balance was increased by \$3 million. These changes resulted in a mill rate increase of 0.77% vs. the current year.

A member noted that the level of amenities was important to making Greenwich an attractive place to live and eroding quality by small savings needed to be reconsidered. Some members of the Board expressed concern that postponing many new capital items would create a backlog to be funded in future years. There was significant discussion over the amount of the budget for the Schools. Those in favor of a smaller reduction to the Budget Committee's recommended budget identified the need for the Superintendent to determine her staffing and programming at the start of the year since interim appropriations won't help restore service cuts, the need to address achievement shortfalls due to the current distance learning, the known budget gap to cover the special education out-of-district tuition line, and the importance of high quality of the public schools as a Town value. Those in favor of holding the Schools operating budget for Fiscal 2021 at the level of Fiscal 2020 noted that the current extraordinary economic difficulties amply justified a policy of seeking cost savings. Those in favor of a consistent approach for both Town and Schools identified there are many unknowns about what level of programming will be able to be provided, the need to look for structural changes and the ability to provide support through interim appropriations if needed.

Mr. Mason reminded the Board of measures taken between 2008 and 2012 included changing the Capital Tax Levy, raising taxes reducing appropriations, using fund balance; and, using the 'bully pulpit' to engage the appointing authorities to take actions to reduce expenses. Tools to pursue capital project reductions included: Capital deferral and BET conditioning the release of project funding; Capital reductions made by trimming discretionary decisions.

Mr. Mynarski noted that the current Fund Balance ratio of 11.77% was in excess of the policy of a 5%-10% level and noted that the amount of Fund Balance was much lower in 2008. The question of impact on the Town's triple-A debt rating if funding came from the Capital and Non-recurring Fund was discussed. A Board member commented that each of the two caucuses' proposals dealt with the options for deferring capital, using the fund balance and reducing proposed expenditures.

Mr. Mason asked each member of the Board to contribute final thoughts and suggestions for consideration. He reminded the Board to submit Budget amendments for circulation and noted that Monday's BET Decision Day meeting would begin with a procedural discussion.

2. Adjournment

Upon a motion by Ms. Erickson, seconded by Ms. Kreuzer, the Board voted 12-0-0 to adjourn the meeting at 12:05 P.M. Motion carried.

Respectfully submitted,



Catherine Sidor, Recording Secretary



William Drake, Clerk of the Board



Michael Mason, Chairman