TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE
MINUTES – Cone Room

Tuesday, October 13, 2015

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

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ben Branyan, Town Administrator; Allen Brown, Director, Nathaniel Witherell; Chris Alexander, Director Financial Operations, Nathaniel Witherell; Al Monelli, DPW Superintendent of Construction, DPW; Joseph Siciliano, Director Parks & Recreation; James Heavey, Chief Police Department; J. Wayne Fox, Town Attorney; Aamina Ahmad, Assistant Town Attorney; James Hricay, BOE Managing Director of Operations; John Hopkins, BOE Director of Food Service

Board: Michael Mason, BET Chairman; John Blankley, William Finger, Sean Goldrick, Randall Huffman, Arthur Norton, Nancy Weissler

Selectmen: Peter Tesei, First Selectman

Other: Barbara O’Neill, Chairperson BOE; Debbie Applebaum, BOE Board; Leslie Moriarty, BET Candidate; Beth Krumeich, BET Candidate; Lloyd Bankson, Nathaniel Witherell Board Member; David Ormsby, Chairman Friends of Nathaniel Witherell; James Lash, former First Selectman, and BET Candidate

The meeting was called to order at 7:32 P.M.

Mr. Johnson welcomed attendees and the television audience and asked for a motion to enter Executive Session.

EXECUTIVE SESSION

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to enter Executive Session at 7:33 P.M.

The Committee exited Executive Session at 8:14 P.M.

Requests for Budget Adjustments

<table>
<thead>
<tr>
<th>PD-2</th>
<th>Police</th>
<th>Approval to Use</th>
</tr>
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<tbody>
<tr>
<td>$61,575</td>
<td>F21713 51100 &amp; 57050</td>
<td>Overtime Services &amp; Benefits</td>
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</table>

Chief Heavey requested permission to accept money from the State DOT for DUI Enforcement Program that requires a 25% match of funds; permission is also requested to allocate the balance from the monies remitted to the Town from citation fees.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the
Committee voted 4-0 to approve the application and forward it to the Board of Estimate & Taxation as a Routine Application.

<table>
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<tr>
<th>PD-3</th>
<th>Police</th>
<th>Approval to Use</th>
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<tbody>
<tr>
<td>$94,951</td>
<td>F2171310 54300</td>
<td>Diver Equipment Sustainment</td>
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Chief Heavey requested approval to accept a Port Security Grant to outfit the Dive Trailer, maintain current equipment, and to purchase a closed circuit TV security system for video surveillance of the Ferry Boat Terminal, Ferries, Marine Police Bldg., and Vessels and Docks. The Grant requires a 25% match which would come from a combination of the Department’s 2015 Capital Budget for the purchase of Dive equipment and from a portion of training salaries.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to approve the application and forward it to the Board of Estimate & Taxation as a Routine Application.

<table>
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<tr>
<th>FD-1</th>
<th>Fire</th>
<th>Release of Conditions</th>
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<tbody>
<tr>
<td>$455,547</td>
<td>A305 51100</td>
<td>Overtime</td>
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Action postponed until November 9, 2015 Budget Committee Meeting.

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<tr>
<th>ED-2</th>
<th>BOE</th>
<th>Transfer</th>
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<tbody>
<tr>
<td>$23,240</td>
<td>A65017 52320</td>
<td>Rental of Other Equipment</td>
</tr>
</tbody>
</table>

James Hricay, BOE Managing Director of Operations, explained that five (5) air conditioner units were deemed to be unrepairable and required replacement. Full replacement of each of the units will be part of the FY16-17 Capital Improvement Plan; in the interim, five (5) units need to be leased that would be funded from a rental line.

Mr. Ramer asked why the items would be rented rather than purchased and it was explained that during the recent hot weather, it had been necessary to replace the equipment immediately.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to approve the application.

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<tr>
<th>ED-3</th>
<th>BOE</th>
<th>Release of Conditions</th>
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<tbody>
<tr>
<td>$1,329,540</td>
<td>S670 51300</td>
<td>Temporary Salaries School Lunch Fund</td>
</tr>
</tbody>
</table>

Mr. Hricay and Mr. Hopkins requested the release of conditioned temporary salary funds based on the BOE study of ways to improve operating revenues and expenses and reduce growing School Lunch Fund deficits. The BOE committee has considered price changes, marketing programs and outsourcing of operations. For the time being the BOE will continue self-operating due, in part, to the ongoing expenses of administration, delivery responsibilities and facility management regardless of whether services are outsourced. School year to date the BOE has experienced an increase in number of meals purchased. BOE plans more competitive pricing of meals; an expanded menu; increased marketing and promotion; and will seek more opportunities for catering with the objective of keeping the loss as small as possible.

Mr. Johnson asked whether comparable Fairfield County towns outsourced food service and if any information was available on their finances. Ms. Kiernan, Ms. Tarkington and Mr. Ramer
individually expressed concern that BOE was returning money at year-end but continued to require a contribution from the General Fund to offset food service losses.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to release $332,385, 25% of the Temporary Salary funds and forward the application to the Board of Estimate & Taxation as a Non-Routine Application.

<table>
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<tr>
<th>NW-2</th>
<th>Nathaniel Witherell</th>
<th>Release of Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$600,000</td>
<td>H999 57128</td>
<td>Fund Support</td>
</tr>
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</table>

Representatives from Nathaniel Witherell gave a report of first quarter operating results and efforts to reverse operating losses. Ms. Kiernan asked what contribution the new short-term rehab beds would make to the FY17 budget. She also asked for Nathaniel Witherell’s strategy for reducing the number of open beds-days. Mr. Ormsby noted that Witherell generated $27 million revenue but the TOG in-kind services, debt service and employee benefit costs caused the deficits. Ms. Tarkington asked whether Nathaniel Witherell is making progress allocating its fixed and variable overhead costs to determine each nursing unit's profitability for the rehab and long term care units. Mr. Alexander said they were working on it. The Committee postponed the release of funds until January.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to postpone the item until January.

Old Business

Update on Byram Pool Master Plan – Mr. Johnson noted for the audience that money for the project was conditioned and release was subject to accomplishing benchmark objectives.

Mr. Monelli reviewed plans (90% complete), efforts to get better cost estimates and value engineering options. He suggested that he be allowed more time to further refine estimates and ask sub-contractors for bids in order to get firm budget estimates. Bids received would be good for 120 days while the Town consider its options. Mr. Monelli expects to have firm numbers by the Budget Committee’s January meeting. He also explained that the current timeline will not add another summer of closure for the park. The Committee agreed to permit Mr. Monelli to go to bid as described.

New Business

- **Report on Status of Economic Conditions** - Mr. Gieger reported that revenues from conveyance fees and building permits were ahead of budget, however expenses were slightly greater for the first quarter of the fiscal year.

- **Budget Guidelines FY 2016-2017** – Mr. Johnson explained that after the Budget Committee Workshop on October 13, 2015, he and Ms. Kiernan met to revise the second draft. Mr. Johnson explained the differences that still existed between the opinions of he and Ms. Tarkington and the opinions of Ms. Kiernan and Mr. Ramer. Johnson and Tarkington were striving for an overall mill rate increase of less than 3%; all department operating budgets held to a 2% increase; and no net increase in positions for all departments. Ms. Tarkington added that the Bureau of Labor Statistics show little

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to no inflation and flat growth in the economy. She pointed out that Social Security recipients would not be receiving an increase in the coming year and that Greenwich’s Revaluation as of October 2015 would likely show a shift in values by neighborhoods based on real estate sales.

Ms. Kiernan commented that only in the past three (3) years had the mill rate been a fixed target; previously it had been expressed as a range agreed to by the BET. She suggested that the BET would have a better understanding of all budget components, particularly fixed charges, which could be a large component of the estimated increase in expenses, by May when mill rate changes would be set. Mr. Ramer remarked that Department Heads were not concerned about the mill rate as they planned their services and programs. He suggested that the Guidelines under consideration had a political purpose rather than setting policy.

Mr. Johnson responded that the Guidelines had a wider audience than just Department Heads and for that reason it was important to communicate an overall mill rate increase target. Ms. Kiernan reminded the Committee that due to labor contracts, cutting services would be the only way to achieve the 2% increase. Mr. Johnson said that setting a hard target was a message to bargaining units and would force departments to find efficiencies. Ms. Kiernan offered the example of the BOE which needed to plan for 2.88% to maintain level services and last year's 2% guideline forced the BOE to give up coaches in the classroom. She reminded the Committee that some departments, including the Police Department whose budget rose 3.7%, provided budgets above the 2% target.

Mr. Ramer announced that alternative guidelines were being prepared for presentation at the BET meeting on Monday, October 19, 2015 by he and Ms. Kiernan. He reiterated that it was unrealistic to set a 2% cap.

Mr. Johnson pointed out that based on the Budget Director's current estimates, a 6.1% mill rate increase would be required to fund the estimated FY17 budget. Savings of $10.8 million would be necessary in order for taxes in increase by only 3%.

Upon a motion by Mr. Johnson, seconded by Ms. Tarkington, the Committee voted 2-2 to accept the proposed Budget Guidelines and forward them to the Board of Estimate & Taxation. (Motion Failed. Opposed: Kiernan, Ramer)

Approval of BET Budget Committee Minutes September 15, 2015

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to approve the Regular BET Budget Committee Meeting Minutes of September 15, 2015.

Adjournment

The Committee agreed unanimously to adjourn at 11:09 P.M.

Next regular meeting will be November 9, 2015 at 5:00 P.M. in the Cone Room.
Respectfully submitted,

[Signature]

Catherine Sidor, Recording Secretary

[Signature]

Marc V. Johnson, Chairman