

TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION BUDGET COMMITTEE
MINUTES – Town Hall Meeting Room

Thursday, October 13, 2016

Committee

Present: James A. Lash, Chairman; Mary Lee A. Kiernan, Jeffrey S. Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller; J.W. Fox, Town Attorney; Robert Kick, Assistant Fire Chief; Ben Branyan, Town Administrator; Princess Erfe, Administrator, Community Development; Todd Laudonia, Tax Collector; Mary Pepe, Director Human Resource Department

Board: Michael Mason, BET Chairman; Beth Krumeich, Leslie Moriarty, Arthur Norton, Jill Oberlander, Nancy Weissler

BOE: Barbara O'Neill, BOE Vice Chairman

Other: Ajit Laroia, RTM District 11; Ken Borsuk, Reporter, *Greenwich Time*

The meeting was called to order at 5:09 P.M.

Mr. Lash welcomed Committee members and attendees.

EXECUTIVE SESSION – Discussion of Pending Litigation

Mr. Lash called for an Executive Session to discuss pending litigation.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0 to enter Executive Session at 5:10 P.M.

The Committee exited Executive Session at 5:57 P.M.

The Committee voted 4-0 to end the Executive Session at 5:57 P.M.

Requests for Budget Adjustments

FD-1	Fire Department	Transfer
\$73,203	A201 51940	Offset RTM Budget Adjustments

Assistant Chief Kick requested the transfer of savings of \$60,000 due to staff layoffs and \$13,203 from unpurchased small tools and equipment accounts to offset the RTM 2016-2017 Budget Adjustment in the 100s, 300s and 400s Object Codes. Mr. Lash asked if the Fire Department returned funds to the Budget in the previous year, to which Assistant Chief Kick replied that \$66,000 had been returned. Ms. Kiernan asked about the staff being laid off and Assistant Chief Kick explained that this was a part-time position in the Fire Marshall's office. Mr. Lash asked that the Committee be informed of any further impact to the Fire Department budget due to the RTM Budget Adjustments. Ms. Tarkington expressed thanks to the Assistant Chief and to be passed on to the Chief for coming up with a solution to the shortfall.

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

the Board of Estimate and Taxation as a Routine Application.

<u>SE-5</u>	<u>First Selectman</u>	<u>Approval to Use</u>
\$245,000	B 105 59090	STEAP Funds – TOG Trunked Radio System Replacement Project

Mr. Branyan requested the approval to use STEAP Funds to contribute to the third phase of a 2012 CIP project, which is anticipated to be in contract by year end. He credited Princess Erfe's implementation of a new grant logging system for identifying the remaining availability of the Grant funding. Mr. Branyan commented further that \$750,000 was encumbered for the project but there could be additional encumbered funds in calendar 2016. Ms. Kiernan asked how much bonding might be required in January 2017 to complete the project; no estimate was available at this time.

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

<u>CD-1</u>	<u>Community Development</u>	<u>Approval to Use</u>
\$751,160.92	Q197	CDBG Entitlement PY2017 Reprogrammed Funds

Ms. Erfe requested approval to use the Town's annual entitlement grant from HUD of \$725,000 and \$26,160.92 of programmed funds from the 2017 entitlement grant. She noted that no changes had been made by the First Selectman to the Community Development Commission's PY2017 Funding Recommendations.

Upon a motion by Ms. Tarkington, seconded by Ms. Kiernan, the Committee voted 4-0-0 to approve the use of the HUD/CDBG Entitlement Grant and appropriation of \$751,160.92 and forward the request to the Board of Estimate and Taxation as a Non-Routine Application subject to a Public Hearing.

<u>CD-2</u>	<u>Community Development</u>	<u>Additional Appropriation</u>
\$43,000	Q19716 59900	PY2016 Contingency Funds Reprogrammed Funds

Ms. Erfe explained that \$13,876 of unallocated funds was available from the PY2016 HUD Entitlement Grant and \$29,124 of previous years' unspent allocation reverted back to the CDBG Program as respective years' activities closed out. She requested that the funds be applied to purchase of a truck for Laurel House Thrift Store and against TAG's acquisition of a Handicapped-Accessible Vehicle. These two projects were being moved forward a year and had already been reviewed at the August 8, 2016 CDBG Public Hearing.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0 to approve the use of the additional fund appropriation of \$43,000 and forward the application to the Board of Estimate and Taxation as a Routine Application.

<u>CD-3</u>	<u>Community Development</u>	<u>Additional Appropriation</u>
\$29,900	Q197 59900	Hill House-Security Improvements Project

Ms. Erfe explained that during construction of an approved PY2016 Capital Project, it was found that the scope of the work now needed to include the replacement and upgrade of the fire alarm

system. The project was part of the Recommendations for CDBG PY2017 and involved substantial amendments to the PY2016 Annual Plan.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0 to approve the use of the additional appropriation of \$29,900 and forward the application to the Board of Estimate and Taxation as a Routine Application.

Old Business

None

New Business

Approval of Budget Guidelines for Fiscal 2018 - Mr. Lash introduced the discussion noting that the Budget Guidelines now incorporated a number of the changes and comments made since the Committee's September meeting. He advised that there was more work to be done prior to February's Budget Hearings because additional migration of the Town's employees to the State's healthcare plan, called the Connecticut Partnership Plan, and the corresponding impact of re-rating the Town's healthcare premium; and, that examples in the Guidelines illustrate the impact of the BOC's proposal of 1.5% salary increases for BOE, Fire and Police and 0% increase for all other departments (fully-loaded with benefits) as well as their impact on the Town's Budget.

Mr. Mason asked that he would like all BET members to cast a vote on the Budget Guidelines at the October 17, 2016 Regular BET meeting because his goal was to get the document's message out to support Department heads planning. He encouraged the Budget Committee to act with the understanding that Labor costs, Retirement and Healthcare as well as the annual addition of certain costs to the Town's Operation Budget were not yet fully understood.

Ms. Kiernan suggested that she was in favor of acting at this meeting to give early guidance to the FY2018 Budget planning process and signal to the Department heads the serious issues that the Town was facing. She reviewed the thoughtful process undertaken to draft the Guidelines and agreed that there were still substantial unknown variables including the FY 16 Audit, the Retirement System valuation, the GEA contract and healthcare strategy. Ms. Kiernan explained that the Guidelines contained two important asks: 1) a request that departments provide detailed proposals for savings in the operating budget that do not impact services and 2) a request that departments provide improved information on capital projects for all years in the 15-year capital model. She commented that the text of the Guidelines, as well as the attached preliminary budget model, communicated the challenges presented by FY 18 and demonstrated sound fiscal management by the BET.

Ms. Tarkington expressed her thanks to fellow Committee members for their work to date, but voiced disappointment that a stronger leadership role wasn't being proposed for the First Selectman and the BOE Chairman for direction of their operating responsibilities, and that the BET should be the chief financial officer and not making future operating decisions. She stated that Departments need to understand that this year would not be "business as usual" and that they should be offering ideas for cost-savings. She recommended lower salary (2.00%) and operating (1.50%) increase guidelines. She felt that further caucus was needed to discuss the wage situation, a clearer perspective on Witherell that continued scrutiny of operating capital, and proposed funding the Witherell Revolving Fund to a reduced \$1.2 million, since Fixed Charges now absorbs an additional \$1.8 million. Her hope is that completing capital projects, currently \$167 million that were started (unused and encumbered) would be focused on for completion, and that the new capital projects would focus on maintenance and high priority projects such as environmental remediation. She presented additional BLS information including that the private

sector compensation costs including all benefits, increased at a rate of only 1.4% annually for the tri-state metropolitan area, that benefits currently exceed Town salaries by over 67%, and that the BLS CPI for the tri-state metropolitan area increased an 1.4% annual average for the past 5 years, substantially lower than the Town's mill rate increase of 2.75%/2.81% in the same period. She recommended that the vote not take place tonight.

Mr. Ramer supported taking a vote tonight because he saw a greater value of bringing the Guidelines to the upcoming BET meeting than further discussion on inconclusive information.

Mr. Lash observed that he supported taking a vote so that Departments could understand how they fit into the process. He reflected that coming up with lower cost estimates might include fewer employees, but that near-term reducing the volume of Capital projects, the Retirement Plan and Healthcare needed serious consideration.

Ms. Moriarty commented that the BET would be making difficult decisions based on fixed costs versus operation costs from a global perspective.

Mr. Mason cautioned that budgeting would be unlike previous years because of the range of the budget gap of \$4 - \$11 million dollars and that he sensed that the community was expecting lower operating costs. Ms. Kiernan cautioned that the BET's discussion should not presume that a new approach to the budget exists before we receive the First Selectman's and BOE's budgets and before the BET constructs the budget in February and March. It was unclear that the RTM had given a mandate to lower operating costs for the upcoming FY 18 and she encouraged continuing conversations with the RTM. Ms. Weissler recommended tighter controls, operating efficiencies and proactively seeking additional revenue. Ms. Krumeich acknowledge the range of the budgeting gap and expressed the hope that the RTM would assist in seeking the best way forward.

Mr. Mason remarked that a Special Meeting might be required to discuss electronic participation voting and he asked for proposed dates for such a meeting. Ms. Tarkington suggested an interim Budget Committee Meeting.

Upon a motion by Mr. Ramer, seconded by Ms. Kiernan, the Committee voted 3-0-1 to adopt the Budget Guidelines and forward them to the Board of Estimate and Taxation for its consideration. (Abstain: Tarkington)

Approval of BET Budget Committee Meeting Minutes

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0 to approve the Minutes of the Budget Committee's Regular Meeting September 13, 2016 as amended.

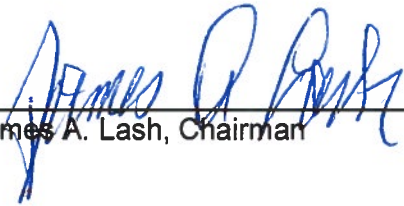
Adjournment

The Committee voted unanimously to adjourn at 7:16 P.M.

Next regular meeting will be November 15, 2016 at 5:00 P.M. in the Cone Room.

Respectfully submitted,


Catherine Sidor, Recording Secretary



James A. Lash, Chairman