

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

BOE Havemeyer Building Board Room
MINUTES – Tuesday, October 17, 2017

Committee

Present: James A. Lash, Chairman; Leslie Moriarty, Jeffrey S. Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; J. W. Fox, Town Attorney; Aamina Ahmad, Assistant Town Attorney; Jim Heavey, Chief, Police Department; (William) Tyler Fairbairn, Administrator Community Development

Board: Michael Mason, BET Chairman; William Drake, Elizabeth K. Krumeich, Jill Oberlander, Nancy Weissler

Nominated BET Candidates: Andy Duus, Karen Fassuliotis, Debra Hess

BOE: Laura Erickson, BOE, Member; Jennifer Dayton, BOE Member; Barbara O'Neill, BOE Member; Peter Bernstein, BOE Member and Member of NLSBC; Dr. Jill Gildea, Superintendent, BOE; Lorianne O'Donnell, COO, BOE

New Lebanon School Building Cmte: Steven Walko, Chairman, NLSBC; Clare Kilgallen, Member, NLSBC

Public: James Boutelle, Director, TAG; Ken Borsuk, Report, *Greenwich Time*, Karen Royce, Resident Greenwich

The meeting was called to order at 5:00 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 5:01 P.M.

The Committee exited Executive Session at 5:13 P.M.

Requests for Budget Adjustments

NON-ROUTINE APPLICATIONS

SE-6	First Selectman	Settlement
\$xxx	P935 57350	Zhornitsky v. Martin & TOG

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the

Committee voted 4-0-0 to forward the application to the Board of Estimate & Taxation without a recommendation.

SE-7	First Selectman	Settlement
\$80,000	P935 57350	DiBella, et al v. TOG

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to fund an additional \$80,000 to reach the self-insured retention for the DiBella case and forward to the Board of Estimate & Taxation as a Non-Routine Application.

ROUTINE APPLICATIONS

RV-1	Registrar of Voters	Additional Appropriation
\$53,017	A 120 51450	Personnel Budget Correction

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0-0 to transfer \$54,000 to fund the cost of the November election in the Registrar of Voters Budget to correct its deletion in error, and to forward the application to the Board of Estimate & Taxation as a Routine Application.

PD-1	Police	Approval to Use
\$91,600	F2173 51100 & 57050	DUI Enforcement Program

Chief Heavey explained to the Committee that the State Department of Transportation cost-sharing grant of 75% of funding for overtime costs (\$68,700) and Police Department's 25% (\$22,900) of Citation fee reimbursement, be applied for use against police overtime, benefits and Workers' Compensation expenses for execution of the 864 man-hour DUI enforcement program.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0-0 to approve the use of the two items totaling \$91,600 application and forward the request to the Board of Estimate & Taxation as a Routine Application.

TAG-1	Transportation Assoc. of Grinch	Release of Conditions
\$93,698	440 57221	Contribution to TAG

Mr. Boutelle explained that TAG's 2017-2018 revenue Budget had been reduced from \$1.85 million to \$1.2 million with the reduction of Norwalk Transit of \$680,000 in services. The new TAG budget had been approved by TAG's BoD which would now provide 100% of its services to Greenwich handicapped, Senior Center transportation and Neighbor to Neighbor food deliveries. Mr. Boutelle indicated that releasing the remaining budgeted TOG funds of \$93,698 would help balance the agency's budget.

Upon a motion by Mr. Lash, seconded by Mr. Ramer, the Committee voted 4-0-0 to approve the Release of Conditions and forward the request to the Board of Estimate & Taxation as a Routine Application.

CD-1	Community Development	Approval to Use
\$768,587	Q197	CDBG PY 2018 Budget

The Committee welcomed Mr. Fairbairn as a new TOG employee and reiterated the steps in the CDBG fund budgeting approval process: First Selectman, BET and RTM. They asked Mr. Fairbairn the breakdown of the amount of the Approval to Use Application: FED HUD Entitlement FY2018 (\$715,000) and Reprogrammed Funds FY2017 (\$37,744.24). The Committee asked if the Federal HUD amount was less than previous year, to which Mr. Fairbairn replied that it was.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Committee voted 4-0-0 to approve the Use of the full amount (\$768,587) and forward the request to the Board of Estimate & Taxation as a Routine Application

Old Business

Discussion and Vote – Proposed FY2019 Budget Guidelines - Mr. Lash reviewed and commented on the proposed Budget Guidelines draft and asked the Committee for their feedback. Mr. Ramer commented that he deferred to Mr. Lash for the wording of the Guidelines but asked if the RTM Budget Overview Committee’s Guidelines should be addressed in the body of the proposed BET Guidelines or if a reference should appear in a cover letter or future dialogue. Mr. Lash remarked that it was a response to the BOC’s direct July comments, but that he would review Mr. Ramer’s suggestion. Ms. Tarkington suggested that the overall tone of the document could be more positive if the Budget Committee took credit for its accomplishments. Ms. Moriarty commented that the draft Guidelines strike a good balance between fiscal discipline and service levels. The FY19 Budget Assumptions incorporate current service levels including funding the wage increases negotiated in labor contracts; however, the Guidelines also call for detailed discussions during the February meetings regarding required services levels, including possible changes, opportunities for cost savings and other efficiencies. Ms. Moriarty noted that Greenwich will have favorable options as it deliberates the FY19 budget given that the current assumptions result in a low mill rate increase of 1.28% and the Fund Balance level exceeds BET Policy.

Mr. Lash referred the Committee and BET members present to the “sensitivity box” on the draft Budget document to show the relationship between increases in spending levels and the corresponding FY19 Mill Rate. He explained how the assumptions in the proposed draft Budget would accommodate the “normal cost” of the teachers’ pension if it had to be paid by TOG, TNW’s support, the BOE’s Capital Improvement Plan and the construction of the New Lebanon School. He emphasized that TOG was in a \$7-\$9 million better fiscal condition than typical at this time in the annual budget process as a result of taking advantage of cost saving opportunities this year and that the budget narrative would lay out changes and policy. He noted that the increased Capital Tax Levy is included in the Budget Guideline to amortize existing debt and provide room for the projects anticipated to be recommended in the new BOE fifteen-year capital plan.

Ms. Tarkington commented that the national economic conditions and rate of inflation were inconsistent with a wage increase of 2.5% and would prefer to use 2.0%. She also commented that the 2% increase for the 200s-800s accounts exceeded the August inflation number. She believes it should be lowered to 1%, the increase used in last year’s Guidelines. She remarked that efficiencies, improvements and consolidation would improve TOG’s financial position and agreed with the draft Guidelines’ suggestion that the Committee recommend the BET invest in an outside consultant to assist with restructuring and re-organizing Town government that could point out efficiencies in Land Use, Purchasing, IT and HR Departments. Regarding Capital, she remarked that completing outstanding projects, collecting outstanding reimbursements on

completed projects and increasing discipline on expenditures would be beneficial to Town financing. She commented that both the Town and the BOE, minus the full appropriation for the New Lebanon School construction project, currently each total more than two years equivalent of appropriations for their capital projects.

Mr. Ramer proposed consideration of eliminating BOE's Lunch Fund subsidy through outsourcing BOE food service; increasing allocation to the Risk Management Fund; and close review of the 15 Year Capital Improvement Plan. Dr. Gildea commented that there has been significant turnover in BOE administration and, while supportive of looking at alternatives for the school lunch program, this project may need to be delayed.

Ms. Moriarty commented that in the section with Budget Assumptions, item #10, which refers to flat headcount, should be qualified to make it clear that this is based on no change in student enrollment.

Mr. Lash thanked Ms. Moriarty for her contribution to the draft Budget Guidelines.

Ms. Weissler commented that language of Assumption #7 regarding TNW subsidy is not accurate as the reduced amount was impacted by accounting changes from the prior year. She would suggest rewording that sentence.

Mr. Lash thanked the Committee for their input and said that he would update the Guidelines to include members' suggestions and prepare a new draft, as well as a redline copy of the Guidelines, for review by the full BET at its October 23rd meeting.

No vote was taken on the FY19 Budget Guidelines.

Discussion of New Lebanon School Construction – The Committee discussed the impact on the Town's financials for this project. The issue is the uncertainty of the Town's cost given that the State's own budget was more than 100 days late and future reimbursement was unknown. Mr. Mason cautioned that if TOG assumed the full cost of building a new school building, the Town would exceed the BET's debt policy for 3 years. Mr. Lash offered the following financing alternatives for consideration: 1) paying for the building over time by using Greenwich's traditional BAN/bonding method; 2) paying off the cost of the building from the \$3 million increase in the FY19 capital tax levy, which amounts to \$21 million in 7 years; 3) partially funding the project by using \$10 million from Capital Non-recurring monies; or 4) reducing the Town's cash reserves from 11% (approximately \$51 million) to about 7%, generating approximately \$18 million. Mr. Lash asked the Committee if this was the project that Greenwich wants to do. Mr. Ramer commented that NLS was critical to off-setting racial imbalance to avoid the prospect of State-mandated student busing in the future. Ms. Moriarty noted that this project is a key component to the Racial Balance Plan accepted by the State BOE and that was debated for over 2 years by the BOE. She also noted that the current building is substandard regardless of the racial balance plan and it needs to be addressed.

New Business

None

Approval of BET Budget Committee Meeting Minutes

Mr. Ramer made a motion to approve the BET Budget Committee Meeting

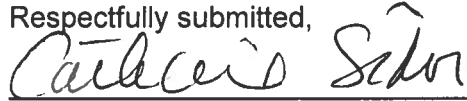
Minutes of September 12, 2017 as amended, seconded by Ms. Tarkington.
The Committee voted 4-0 to approve the motion.

Adjournment

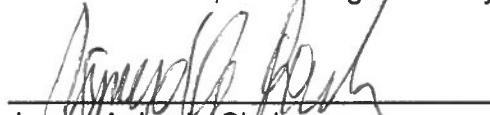
The Committee voted unanimously to adjourn the Meeting at 8:20 P.M.

Next regular meeting will be November 14, 2017 at 5:00 P.M. in the Town Hall Meeting Room.

Respectfully submitted,



Catherine Sidor, Recording Secretary



James A. Lash, Chairman.