



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, November 19, 2012 in the Cone Meeting Room, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:31 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Michael S. Mason, Chairman
Arthur D. Norton, Vice Chairman
Mary Lee A. Kiernan, Clerk
Gregory Bedrosian
Robert Brady
William R. Finger
Sean Goldrick
Randall Huffman
Marc V. Johnson
Joseph L. Pellegrino
Jeffrey S. Ramer
Leslie L. Tarkington

Selectmen: Peter Tesei, First Selectman; David Theis; Drew Marzullo

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; Allen Brown, Executive Director, Nathaniel Witherell; Ray Augustine, Director of Financial Operations, Nathaniel Witherell; Mary Pepe, Director of Human Resources, TOG; Robert Lichtenfeld, Director of Human Resources, BOE; John Crary, Town Administrator

Other: David Ormsby, Lloyd Bankson, Nathaniel Witherell Board; Andy Fox, Nathaniel Witherell Building Committee; Leslie Moriarty, Barbara O'Neill, Jennifer Dayton, BOE.

ROUTINE APPLICATIONS

HD-6 Health – Approval to Use \$72,120.42

Approval to Use:

\$15,000.00	to	F403-51300	Part-time Payroll
\$11,000.00	to	F403-51420	Prof. Services Medical
\$5,000.00	to	F403-52010	Advertising
\$4,000.00	to	F403-52240	Telephone, Telegraph
\$10,672.92	to	F403-53010	Office Supplies
\$12,300.00	to	F403-53250	Med., Surg., Lab. Supplies
\$2,000.00	to	F403-54150	Maintenance Furn., Fixtures, Office Equip.
\$11,000.00	to	F403-54200	Maintenance Mach., Tools, Instruments

\$ 1,147.50 to F403-57050 Benefits
\$72,120.42 from Public Act Grant FY2013

PUR-1 Purchasing – Release of Conditions \$15,000

Release of Conditions:
\$ 15,000 to General 106-925 Circuit Packs

PD-2 Police – Approval to Use \$56,025

Approval to Use:
\$ 55,213 to F217-51100 Overtime Services
\$ 812 to F217-57050 Benefits
\$ 56,025 from Federal Highway Safety Program Grant – DUI Enforcement Program

Upon a motion by Ms. Kiernan, seconded by Mr. Pellegrino, the Board voted 12-0-0 to approve the applications.

NON-ROUTINE APPLICATIONS

PR-2 Parks & Recreation – Additional Appropriation \$82,390

Additional Appropriation:
\$ 82,390 to Z832-59620 Maintenance of Roads & Bridges
\$ 82,390 from Capital Non-Recurring

Upon a motion by Mr. Goldrick, seconded by Mr. Huffman, this item was moved to the non-routine portion of the Agenda.

Mr. Pellegrino gave an explanation for the request to replace two walking bridges at Binney Park. The vote of the Budget Committee on this item was 4-0. Mr. Goldrick expressed concerns regarding the cost of the project. Mr. Huffman expressed the need for additional information. A discussion followed regarding the scope of the project and the project information available to members.

Upon a motion by Mr. Pellegrino, seconded by Ms. Tarkington, the Board voted 10-2-0 (Mr. Goldrick and Mr. Huffman opposed) to approve the application.

NW-6 Nathaniel Witherell – Release of Conditions \$155,000

Release of Conditions:
\$ 155,000 to B450-59560-12201 NW Renew-Sprinklers

Mr. Pellegrino explained that this request is in compliance with State mandates regarding fire sprinklers, although funding is included in Project Renew. The Budget Committee voted 4-0 on this item.

Upon a motion by Mr. Pellegrino, seconded by Mr. Finger, the Board voted 12-0-0 to approve the application.

NW-7 Nathaniel Witherell – Additional Appropriation \$2,426,000

Additional Appropriation:

\$2,426,000 to B450-59560-12201 NW Renew

Mr. Pellegrino gave an overview of the Project Renew bid process, noting the cost estimate for the original project of \$23,805,000 and the new cost estimate based on 21 bid packages of \$26,231,000, resulting in this request for an additional appropriation. Mr. Pellegrino further noted the projected cumulative cash flow deficit in the most recent twenty-year model of over \$28 million. The Budget Committee voted 4-0 in favor of this item with a subject to release condition. A discussion followed regarding the timeline, noting RTM approval and construction bid expirations, construction and operating costs increases, plans for fundraising from private sources, cash flow needs, bonding issues, and reporting issues.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ramer, the Board voted 12-0-0 to amend the Subject to Release Condition by replacing the words “strategic plan” with “strategy that specifies actions that can be taken.”

Upon a motion by Mr. Pellegrino, seconded by Mr. Finger, the Board voted 12-0-0 to accept the application Subject to Release by the Board of Estimate and Taxation upon the receipt and acceptance of a revised strategy that specifies actions that can be taken to address the increased operating shortfalls of the Long Range Plan.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to accept the application Subject to Release by the Board of Estimate and Taxation upon the receipt of a letter from CT DSS acknowledging increased cost of construction of \$2.4 million.

RESOLUTION amending a resolution appropriating \$20,205,000 for the construction of improvements to the Nathaniel Witherell Nursing Facility and authorizing the issuance of \$22,631,000 bonds of the Town to meet said appropriation and pending the issue thereof the making of temporary borrowings for such purpose.

Upon a motion by Ms. Tarkington, seconded by Mr. Pellegrino, the Board voted 12-0-0 to accept the Resolution.

ASSESSOR’S REPORT

Ms. Elliott presented the Assessor’s Report, highlighting work related to the 2012 Grand List, extensions provided in connection with Hurricane Sandy, and recent court resolutions of appeals.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Assessor’s Report.

Approval of the Assessor FY 2013-2014 Budget and Operational Plan

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to take this item out of order, after the Assessor’s Report.

A discussion followed regarding the revised T.O.O. in the Assessor's Office, the costs of the next local revaluation, the next state mandated revaluation, and efforts to increase automated functions in the Assessor's Office.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to approve the Assessor's FY 2013-2014 Budget and Operational Plan.

COMPTROLLER'S REPORT

Mr. Mynarski presented the Comptroller's Report to the Board, highlighting operational disruptions and staff efforts in connection with Hurricane Sandy. Mr. Mynarski provided a review of the Town's insurance coverage in several categories including tree damage, property damage, vehicular damage and business interruption, and he reviewed associated deductibles and the scope of FEMA reimbursements.

Upon a motion by Mr. Norton, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Comptroller's report.

Approval of Finance Dept. FY 2013-2014 Budget and Operational Plan

Upon a motion by Mr. Norton, seconded by Ms. Kiernan, the Board voted 12-0-0 to take this item out of order, after the Comptroller's Report.

Mr. Mynarski explained revisions made to the T.O.O., including the decision not to fill one position dealing with retirement issues and the movement of the Workers Compensation Administrator into the HR Department. Mr. Mynarski noted the .8% decrease in the Finance Department's budget for FY 14.

Upon a motion by Mr. Norton, seconded by Mr. Pellegrino, the Board voted 12-0-0 to approve the Finance Department FY 2013-2014 Budget and Operational Plan.

ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIOD OF October 1, 2012 – October 31, 2012

Upon a motion by Mr. Norton, seconded by Mr. Finger, the Board voted 12-0-0 to accept the Treasurer's Report.

BET Standing Committee Reports

Human Resources Committee Report

Mr. Johnson gave an overview of the funding proposals for the M/C Employee Compensation Performance Review and noted that the HR Committee voted 4-0 in favor of hiring Buck Consultants for this purpose. Mr. Johnson also reviewed the funding proposal for a technology consultant and an outside project coordinator to be hired in connection with a proposed Human Capital Management System, which was approved by the HR Committee 3-1 (Ms. Tarkington abstained).

Upon a motion by Mr. Ramer, seconded by Ms. Kiernan, the Board voted 11-0-1 (Mr. Pellegrino abstained) to accept the HR Committee report.

BET Liaison Reports

There were no Liaison reports.

BET Special Project Team Reports

BET I.T. Upgrade Report

Mr. Brady gave an update on the Town-wide IT study, highlighting the recent ranking of projects based on criticality. These projects included payroll, the Town website, Town IT support of operations, and how the Town upgrades systems and deals with associated incompatibilities. Mr. Brady also reviewed the process for interviewing consultants in connection with the proposed 800 MHz Radio System, and he updated the Board on the 311 CRM System RFP process.

NEW BUSINESS

There was no New Business.

OLD BUSINESS

Acceptance of the TOG/BOE HR Working Group Study

Ms. Kiernan gave an overview of both the process used and the analysis and findings of the TOG/BOE HR Working Group Study. She reviewed the recommendations provided on fifteen functional areas and recommendations on cross-departmental topics, highlighting the payroll/HRIS and termination functions. Ms. Kiernan noted that the monitoring of efforts and outcomes in connection with this Study will reside with the BET's HR Committee, and their first task will be to design appropriate accountability and performance measures. The HR Committee voted 4-0 to accept this Study. Mr. Pellegrino shared comments concerning delivering HR services, cost efficiencies, and revisions in technology leading to organizational and structure changes. Both Ms. Kiernan and Mr. Pellegrino acknowledged the efforts of the Working Group and professional staff, highlighting the work of Ms. Pepe and Dr. Lichtenfeld. A brief discussion followed regarding the predecessor Hay Study, the working relationship between the TOG and BOE Human Resources Departments, HR strategies, potential cost savings, and efficiencies resulting from the recommendations contained in the Study.

Upon a motion by Ms. Kiernan, seconded by Mr. Johnson, the Board voted 12-0-0 to accept the TOG/BOE HR Working Group Study.

Approval of FY 2013-2014 Budget Guidelines

Mr. Pellegrino gave an overview of the Budget Committee's Guidelines process, including meetings held, the collection of BET member comments, and subsequent revisions. Mr. Pellegrino stated that the motion before the Budget Committee to approve the Guidelines draft dated November 13, 2012 failed 2-2.

Mr. Pellegrino made a motion to approve the Guidelines draft dated November 13, 2012. Ms. Tarkington seconded this motion.

Mr. Finger moved to amend Mr. Pellegrino's motion for the purpose of substituting an alternate set of Guidelines dated November 15, 2012. Mr. Ramer seconded this motion.

Mr. Mason stated that Mr. Finger's motion to amend should be put to a vote before discussion on the motion could proceed. A discussion ensued about appropriate parliamentary procedure. Mr. Pellegrino asked Mr. Mason to obtain a ruling after the meeting on Mr. Ramer's statement that discussion on the motion to amend should proceed after such motion is seconded, but before the vote on such motion.

Upon a motion by Mr. Finger, seconded by Mr. Ramer, the Board voted 12-0-0 to bring forward the Guidelines draft dated November 15, 2012 for discussion.

Mr. Finger stated that the BET's Budget Guidelines should not be an inflexible budget directive, but rather a guideline for departments and appointing authorities to follow in preparing their budgets. Compared to the November 13th draft of guidelines, Mr. Finger believed the November 15th draft of Budget Guidelines presented a more balanced approach and better road map for the Town departments to follow. Mr. Finger also recommend that the BET's Debt Policy, scheduled to be reviewed in Spring 2013, be reviewed prior to the commencement of the BET's FY 14 budget reviews and deliberations.

Mr. Ramer commented that the BET's governmental responsibility is to balance the needs of the community for municipal services against the tax burden placed on the citizens who must pay for them. For the past thirteen years, the declared objective in the Guidelines has always been the maintenance of services at a high and predictable level, while keeping taxes low, at a customary mill rate increase within two to four percent per year. The objection to the earlier draft of the Guidelines is that it purports to declare a decision as to a mill rate increase at 2.5%, without seeking any mechanism for properly understanding what services may have been needed, but were sacrificed to achieve the arbitrary 2.5% level, and the alternative Guidelines dated November 15, 2012 offer an opportunity to understand service levels at various mill rate increases, including the 2.5%.

Mr. Huffman stated that he is very concerned about the increasing costs of out town government, and how we should address these cost factors, as indicated earlier in this meeting. In addition, Mr. Huffman has long recommended that the town pursue longer term financing for major capital projects, as is done by virtually every governmental unit, major non-profit organization and significant corporate organization. The use of longer term financing in our fiscal plans could decrease the necessary increase in next year's real property taxes, or could permit us to pursue more important capital investment needs currently, or both.

Mr. Goldrick shared comments regarding long-term financing, cash reserves, maintenance costs, fund balance, CIP, and public input.

Mr. Brady said that he concurred with his colleagues in support of the November 15, 2012 Guidelines.

Ms. Kiernan concurred with the comments in support of the November 15, 2012 Guidelines, and added that this draft suggests a useful, data-driven approach to reducing costs, finding

efficiencies and maintaining quality municipal services and municipal assets. Ms. Kiernan suggested that the November 15, 2012 Guidelines add value to the budgeting process and are relevant to the Guidelines' intended audience. She further stated that the November 15, 2012 Guidelines would not cut services to those living below \$50,000 per year in income, and these Guidelines would support local property values by signaling to potential real estate investors that municipal services and quality education are priorities for this community.

Upon a motion by Mr. Finger, seconded by Mr. Ramer, the Board voted 6-6-0 to amend Mr. Pellegrino's motion to approve the Guidelines draft of November 13, 2012 by substituting an alternate set of Guidelines dated November 15, 2012 (Mr. Mason, Mr. Bedrosian, Mr. Johnson, Mr. Pellegrino, Mr. Norton, Ms. Tarkington opposed). The motion to amend failed.

Mr. Pellegrino stated that there is a perception that benefits experienced by municipal employees have deviated from those experienced by our citizens, and for any number of reasons, many people think the pendulum has swung too far in one direction and needs to come back to center. It should also be noted that at least one RTM Committee – BOC – took up the thread of our discussion and supported the 2.0% operating limit and reconfirmed our debt policy ceiling. Mr. Pellegrino further stated that the majority of our citizens want the highest level of services in the most efficient manner possible, and sometimes the specter of limited funding is required to affect change, and he emphasized his belief in economy of government, prudence and frugality in government spending, and that government should do what people can't do for themselves. Mr. Pellegrino stated that the guidelines presented on November 13th are fair and appropriate when all factors are taken into consideration and he recommended them for passage.

Mr. Bedrosian shared comments regarding the economic forecast, unemployment rates, pension costs, and the Grand List.

Mr. Johnson, supporting Mr. Pellegrino's proposed guidelines, provided some observations on disproportional falling property values and the implication that taxpayers in certain parts of Town will have to shoulder a larger share of taxes after the coming revaluation effort. As a member of the BET HR Committee, he mentioned that he had understood from outside compensation consultants that most neighboring communities have not provided any salary increases to their employees over the past several years. He also noted that the preliminary guidelines received support from several nonpartisan RTM groups such as the Budget Overview Committee and committees from Districts 5 and 7.

Ms. Tarkington supports the targeted mill rate increase for the general fund of 2.5%, but this increase addresses only the general fund mill rate. Approximately 76% of tax payers reside and 66% of the Town's real estate values are within the sewer district, and in FY 2013 taxpayers in the sewer district saw their sewer fund taxes increase by 16% and their mill rate in total rose by 3.48%, substantially above the 2.75% of taxpayers outside the sewer district. Over the 12 years that the Town has had Budget Guidelines, the general fund tax levy has increased by 69%, an average of 5.71% per year, and the sewer fund tax levy has increased by 126%, an average 10.47% per year, and Greenwich residents over decades expected value for their property taxes and that tradition should be respected.

Mr. Norton spoke about Greenwich's government structure, including the RTM, BET, and OFS, and how they provide input to the budget process. Mr. Norton added that he had visited the two

delegations that he had chaired, District 12 and District 9, and that there was no expressed opposition to the proposed guidelines. At District 12, there was an extensive discussion about the continual budget size growth, and Mr. Norton noted that the fiscal 1976 budget was \$35M. Mr. Norton expressed confidence that the fiscal 2014 recommended budget guidelines of November 13, 2012 were reasonable, and that they would serve well the needs of our town.

Mr. Mason shared comments regarding fiscal stability, the Budget process, decreased revenues, level services, recent acquisitions and upgrades, operating increases, seeking efficiencies, shared services, departmental standards and services, single source vending, bonding requirements, payroll costs, Fire Department requirements, education costs, implementation of the TOG/BOE HR Plan, and infrastructure requirements.

Upon a motion by Mr. Pellegrino, seconded by Ms. Tarkington, the Board voted 7-6-0 to approve the Guidelines draft dated November 13, 2012 as the FY 2013-2014 Budget Guidelines (Mr. Brady, Mr. Finger, Mr. Goldrick, Mr. Huffman, Ms. Kiernan, Mr. Ramer opposed) (Mr. Mason cast tie-breaking vote to approve).

APPROVAL OF MINUTES

BET Regular Meeting, October 15, 2012

Upon a motion by Ms. Kiernan, seconded by Mr. Norton, the Board voted 11-0-1 (Mr. Huffman abstained) to approve the Regular Meeting Minutes of the BET from October 15, 2012.

CHAIRMAN'S REPORT

Mr. Norton shared comments regarding the Northeast Greenwich Association meeting discussion of the pension plan and BET's role with respect to the pension plan.

Mr. Mason acknowledged the EOC for their effort during the recent hurricane and snowstorm.

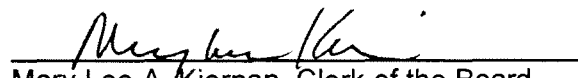
ADJOURNMENT

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Board voted unanimously to adjourn at 9:44 P.M.

Respectfully submitted,



Maria Bocchino, Recording Secretary



Mary Lee A. Kiernan, Clerk of the Board



Michael S. Mason, Chairman