

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
BUDGET COMMITTEE
DEPARTMENTAL BUDGET REVIEW FOR FY 10
MINUTES
Cone Room, 2nd Floor – 9:00 A.M.
Friday, February 13, 2009**

Present:

Committee: Michael Mason, Chairman
Edward Krumeich, Larry Simon, Robert Stone

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; John Crary, Town Administrator; Lou Caravella, Tax Collector; Diane Fox, Planning & Zoning Director; Michael Chambers, Inland Wetlands & Watercourse Agency; Denise Savageau, Conversation Director; Boris Hutorin, Director of Information Technology; Alison Graham, Employee Benefits Manager; Peter Siecienski, Fire Chief; Robert Kick, Assistant Fire Chief; Caroline Baisley, Health Director; Dr. Arturi, Health Board; Joseph Siciliano, Director of Parks and Recreation; Fred Walters, Superintendent, Marine and Facility Operations Division; Bruce Spaman, Superintendent of Parks and Trees Division and Tree Warden; Peter Mandras, Superintendent of Recreation Division, Thomas Greco, Manager, Business Services Operations of Parks and Recreation; Billie Schock, Director of Eastern Civic Center; David Ormsby and Lloyd Bankson, Nathaniel Witherell Board; Bill Kowalewski, Executive Director Nathaniel Witherell; Ray Augustine, Director of Financial Services, TNW, John Wayne Fox, Town Attorney, Maureen Kast, Human Resources Director.

Board: Nancy Barton, James Campbell, William Finger, Arthur Norton, Jeffrey Ramer, Leslie Tarkington, Stephen Walko

Mr. Mason called the meeting to order at 9:05 P.M.

SPEAKERS

1. Information Technology

Mr. Boris Hutorin, at the request of the BET Budget Committee, appeared to explain steps he was taking in light of budgetary constraints. Mr. Hutorin explained his budget request for fiscal year FY10 and answered all questions.

2. Parks & Recreation: Operations at Eastern Civic Center

Mr. Siciliano updated the Committee on the status of the Greenwich Eastern Civic Center regarding the razing and rebuilding of the building by outside funding sources. Mr. Siciliano and the BET Budget Committee debated extensively the questions of replacing the decaying and faulty roof at the Civic Center and the options of closing down the building's operations, if the building would be replaced in the future. Mr. Siciliano said that at best, it would take five years before a new building was constructed and could be as long as 7 or 8 years. In addition, the Civic Center costs the Town \$200,000 a year in an operating loss.

Mr. Siciliano and staff further discussed his operating budget that resulted in a slight decrease. In addition, Mr. Siciliano explained that a rigorous review of all Parks and Recreation fees was completed resulting in an overall 7.9% increase in fees. Mr. Mason inquired as to how close the Town comes to budgeted revenues for Parks and Recreation fees. Mr. Siciliano and Mr. Greco claimed that overall they are pretty close to budget each year.

At this point, Mr. Siciliano reminded the Committee about the problems they continue to experience in their attempts to outsource the tree division, reduced in a prior year budget. Mr. Siciliano connected this scenario with further reductions in staff and the potential for reduced services in Parks and Recreation

3. Nathaniel Witherell: Status of Revised Business Plan.

Mr. Ormsby responded to a question about the status of the revised business plan. He stated that the plan is not ready because the production of the Town budget and completion of the Medicaid cost reports took precedence over revising the business plan. In addition, Mr. Ormsby informed the Committee that they are monitoring the Governor's budget and the potential impact on future revenues which directly impacts the accuracy of the business plan in their projections.

Mr. Mason asked again about the status of the business plan relative to any changes in concept or divergence from the original long range business plan previously released. Mr. Ormsby stated that the new business plan ties directly to the original long-range business plan. They are revisiting every assumption in the original plan to test the validity of the new business plan. Mr. Bankson also assured the Committee that the delays in the release of the business plan are tied directly to maintaining the accuracy of the new plan, particularly in their ability to repay the debt service on the new facility.

When asked about the timeline for release of the new business plan, Mr. Ormsby stated that the goal is to have a business plan available in late March or early April 2009 for release to the BET.

Mr. Walko expressed his concerns about spending monies unnecessarily on design or related expenses before the business plan has been completed and fully approved. Mr. Ormsby assured everyone that is their concern also.

Mr. Mason asked Nathaniel Witherell officials about how they were doing with the reductions in headcount through the fiscal year 2008-2009 budget timeline. Mr. Kowalewski responded that they are on target to reach the original reduction of 17 full time equivalents. Mr. Kowalewski provided the Committee with handouts covering Nathaniel Witherell hours to total admissions charts and an analysis of staffing hours.

a. Revolving Fund

Mr. Mason stressed the importance of implementing a Revolving Fund for Nathaniel Witherell. Nathaniel Witherell officials were in total agreement. Mr. Mason stated he would like to have the fund be similar to the Griff Harris golf course model. It was decided, by the Committee, that the decision to go to a Revolving Fund will be made on BET Budget Committee Decision Day.

4. Tax Collector

Lou Caravella was invited to justify his budget to the Committee in light of existing budgetary constraints. Mr. Caravella offered his case for his budget, as presented without a headcount reduction. He stated that his staff is busy with return mail and making sure that the tax bills are paid. He also stated that the Town has collected \$750,000 from the delinquent Motor Vehicle collection effort.

5. EFI Actuary Presentation of the Retirement Plan for the Town of Greenwich

Mr. Greg Stump, EFI, Actuary, presented the July 1, 2008 Actuarial Valuation Report to the BET Budget Committee and answered questions about the report. The report showed how EFI derived this year's ARC of \$7.1 million as well as showing that the Town still has \$22 million of unrecognized losses that must be recovered in the next four years.

Subsequent to the report presentation Mr. Stump gave a presentation to all in attendance on a variety of scenarios and their various impacts on the Retirement Plan in future years. The purpose of the presentation was to educate those in attendance to the potential impacts on the annual required contribution (ARC) for the Retirement Plan with their budgetary impacts. With the current level of assets in the Retirement Plan (244 million dollars), the ARC will be close to \$15 million in FY11 or \$8 million more than in FY10.

6. Land Use Agencies

Ms. Diane Fox, Planning and Zoning, Mr. Michael Chambers, Inland Wetlands and Ms. Denise Savageau, Conservation appeared, at the request of the BET Budget

Committee, to justify their budgetary request for fiscal year 2009-2010. They answered a series of questions from the Committee.

7. Health Department

On a motion by Mr. Simon, seconded by Mr. Krumeich, the BET Budget Committee voted 4 to 0 to go into executive session at 1:30 P.M. to discuss pending personnel matters in the Health Department budget for fiscal year FY10. BET members, Department of Health and the Town Administrator were all present.

On a motion by Mr. Stone, seconded by Mr. Simon, the BET Budget Committee voted 4 to 0 to come out of executive session at 2:15 P.M.

8. Fire: Staffing, Lieutenants, and overtime.

Fire Chief Siecienski discussed staffing, lieutenant's upgrades and overtime issues for the Fire Department with BET Budget Committee and answered questions.

a. King Street Fire House:

Fire Chief Siecienski discussed the King Street Firehouse capital project, its timing and the impact of staffing the facility. He took questions from the Committee and answered accordingly

b. Vehicular accidents:

Fire Chief Siecienski informed the Committee that the work of his staff was instrumental in reducing fire apparatus/vehicle accidents. When asked about the ability of volunteer fire personnel to drive fire trucks, Chief Siecienski responded most of them are capable and licensed to drive fire apparatus.

9. Healthcare Budget

Ms. Alison Graham, Human Resources Employee Benefits Manager, gave the Committee a presentation on the FY09 Health Care Budget showing that we are running \$800,000 below budget. She then presented the FY09 budget indicating increases of 12.4% for Anthem, 7.2% for HealthNet, 0% for pharmacy and 1% for dental. These changes are on a budget to budget basis for the self-insured and a premium basis for the fully insured. Alison then demonstrated the budgetary impact of moving employees from Preferred Provider Organizations to Health Savings Accounts. Between savings to the Town and to the Employee, the total amount is \$5.7 million for all employees if they changed plans.

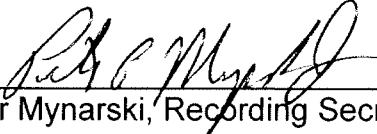
10. Risk Fund: Review Legal Letter and Risk Fund Balance.

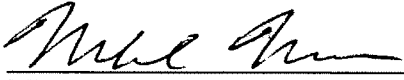
Mr. John Wayne Fox gave a detailed explanation of existing legal cases involving the Town and their potential monetary impact to the budget. These cases were detailed in a confidential memorandum provided to the BET Budget Committee and members of the BET. Mr. Fox stated that \$2.9 million would be sufficient in the Risk Fund for any outlays for FY10 and the balance of FY09.

Subsequent to Mr. Fox's legal case presentation, he went over his budgetary request for fiscal year 2009-2010. He indicated it might be possible to reduce outside counsel by \$100,000.

The meeting adjourned at 3:33 P.M.

Respectfully submitted,


Peter Mynarski, Recording Secretary


Michael S. Mason, Chairman