



TOWN OF GREENWICH

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Peter J. Tesei
First Selectman

Recommended Town of Greenwich Budget for Fiscal Year July 1, 2010 – June 30, 2011

February 5, 2010

Dear Members of the BET Budget Committee,

I am pleased to transmit the recommended budget for the Fiscal Year commencing on July 1, 2010 and ending on June 30, 2011.

This recommended budget was formulated by town departments, the Board of Education and the First Selectman's office pursuant to Town Charter and in accordance with the Board of Estimate and Taxation Budget Guidelines that were approved on October 19, 2009.

I commend the work of the Budget Director, Town Administrator, Special Projects Coordinator and the professional staff of the Town and Schools administration for working together to bring this recommended budget to you. This budget continues to provide essential funding for our public and life safety services, continues to support our excellent school system, and maintains the Town's ongoing infrastructure maintenance and improvement projects. Due to the economic conditions of our Country, the number of new initiatives that I have proposed is limited, but I believe you will find they are consistent with the Town's long term plans and objectives.

The theme of this recommended budget is to maintain our current services while minimizing the tax impact on our citizens. Declining revenues and increasing costs continue to place extraordinary pressure on our budget. In the pages that follow I will itemize the issues that confront us and what steps I have taken to address them as well as to better prepare the community for the future.

Economic Impact on 2010-2011 Budget

Greenwich, as well as the entire Northeast region, is continuing to experience the affects of last year's severe economic downturn. While the pundits and arm chair

economist's state that the decline has abated I can't help but think that while the official recession may be over, the depression continues.

The most apparent economic affect on Greenwich is the continued decline in revenue. Last year the Town noted the dramatic decrease in the revenue received from the Conveyance Tax, Building Permits and Interest Income. As a result, we lowered our expected returns for this fiscal year. Unfortunately, even these reductions were not sufficient. We anticipate that for next fiscal year that we will again have to lower our expectations. These three major sources of revenue have been collectively reduced by \$2.1 million dollars in the proposed 2010/11 proposed budget. In addition, the investment returns that the Peterson Fund, and thus the expenses of the Greenwich Library that the fund has supported, will need to be reduced next year by \$125,000. Another, significant factor in next year's budget formulation is the investment losses experienced by the Town's retirement fund. These losses have resulted in new calculations by the fund's actuary. By Town Charter the contributions to the retirement fund must be "fully funded". This means that next fiscal year our contributions to the retirement fund will have to increase from \$7.16 million to \$10.7 million or a 50% increase.

Thus our work on the budget for 2010/11 began with the knowledge that we had to make up a shortfall in revenue of \$2.25 million and we had new required expenses of \$3.54 million or collectively a \$5.79 million budget problem. Added to this challenge was my continued commitment that our budget must continue to adhere to our long term policy of keeping our mill rate increase at a modest and predictable level.

Another project that we worked on this year that will have budgetary impacts was the adoption of a Senior Tax Deferral option for our elderly population. Last year we had the unfortunate experience of having more applicants for our elderly tax credit program than we had funds budgeted. I have included sufficient funds in my proposal to fully fund these programs based upon our best estimate of the number of applications that we expect to receive. Since the number of applicants will not be known until mid May I urge the members of the BET to modify the final appropriation to recognize the actual costs that these programs will represent in the 10/11 budget. I view these programs as an important service that we offer to our senior population to permit them to remain in their homes and continue to be active members of the Greenwich community.

Leading up to the preparation of this years proposed budget I have also taken a number of steps to respond to the economic conditions. These actions were designed to insure that when the fiscal year ends next June that unspent funds will not only make up for the lower revenues we are experiencing this year, but also provide a fund balance to make the 10/11 budget less onerous. One the most important of these actions was the regular monitoring of our vacancies and especially of those positions that were vacant as a result of the early retirement

incentive program that we offered last year. I am pleased to report that as of December 31, 2009, six months into the program, that Town has realized savings of over \$1.1 million dollars. This represents wages not paid and lower fringe benefits for those positions that we have elected to fill. I anticipate that by June 30 of this year the savings will be approximately \$1.85 million and will cover the entire cost of the retirement incentive program including the enhancements to the pension earned and the extended health insurance option provided. Next year we will continue to monitor the savings achieved due to the adoption of this valuable program. I expect the Town will save a minimum of \$100,000 per month next fiscal year from this program. Therefore, you will note that there are a number of positions that remain vacant at this time and probably will remain open for an extended period of time in 2010/11 to reap these rewards. Vacancy control is a very important tool in our plan to manage the budget. However, during the next fiscal year, on a case by case basis, some of these positions will be filled as the needs of the Town change. Conversely, other positions may be permanently deleted as we continually evaluate the requirements of the Town.

Other steps we have taken to manage the budget include our ongoing efforts to negotiate wage freezes with all of our union groups. In many cases we have been successful in this regard and the financial savings have been an important element in our plan. In some cases we have not had success and we have resorted to State sponsored mandatory arbitration proceedings to obtain the necessary agreements. Due to the timing of our existing labor contracts this effort will be spread out over several years. We have also aggressively worked on the purchasing of many commodities that the Town uses in quantity. Through restructured bulk purchasing agreements the Town has either captured savings or at least the assurance that the price will not rise precipitously in the foreseeable future. Notable examples include the purchase of diesel fuel, gasoline and fuel oil. Perhaps the most financially rewarding of these efforts was a long term purchase of electricity that locked in our costs for the generation of electricity until the year 2014. I am pleased to report that as a result of the efforts of our Purchasing Department and of our Special Projects Coordinator that in the 2010/11 budget we expect to lower our annual cost for electricity by over \$600,000.

Another initiative that I asked our Public Works Department to investigate is the establishment of a tipping fee for certain refuse brought to our transfer station. This proposal will both increase revenues to the Town and also lower our annual solid-waste costs. New revenue will be generated from the fees paid by commercial vendors for depositing their trash. Additionally, some trash will be diverted to other sites which will ultimately lower the Town's disposal costs. This proposal is sound from both a financial perspective and from a fairness perspective. It will help to better align the costs associated with providing this program with the beneficiaries of this service. Presently the entire Town pays for the service through their property tax levy but the entire Town does not equally receive this service. With the adoption of this program Greenwich will no longer

be the only community in Fairfield County who does not charge a tipping fee for the disposal at their transfer station. I anticipate that within the year I will propose an ordinance to enable the implementation of this program in time for the 2011/12 fiscal year.

Our team believes that as a result of these and many other actions that each department has taken to economize on our services that we will end the 09/10 fiscal year with a surplus of approximately \$6.0 million dollars. While we are gratified by this expected result we are committed to continue our efforts to operate the Town in as efficient and economical fashion as we can to better serve the interests of our citizenry. The Town's Department Heads and Appointing Authorities should be commended for their actions to jointly achieve this goal and I am sure you join with me in acknowledging their efforts.

2010-2011 Recommended Budget compared to Current Year

The recommended **General Fund budget of \$339,724,387** represents an increase of \$15,482,354 or 4.77 percent from the FY10 budget as adopted by the Representative Town Meeting. The four major segments of the budget are:

<u>Segment</u>	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>	<u>% Change</u>
Town Services	\$ 101,869,128	\$103,367,554	1.47%
Education	125,984,258	131,509,261	4.39%
Capital	27,680,000	29,000,000	4.77%
Fixed Charges	68,708,647	75,847,572	10.39%
Totals	\$ 324,242,033	\$339,724,387	4.77%

Revenue

Revenues for FY 10/11 are expected to decrease by \$2.747 million or (6.05%). This represents the economic impact of the decrease in revenue primarily from Building Permits, the Conveyance Tax and Interest Revenue. We believe this estimate reflects the bottom of the market but at this time it is not clear the duration of this period.

General Government

Many of the Departments falling in this category provide direct services to the residents of the Town. The proposed budget includes an overall 2.2% increase from the current year appropriations. I have highlighted some of the Departments within General Government where a noteworthy change is taking place.

Code 120 – Registrars of Voters

For FY 2010-2011 the preponderance of the proposed increases are a reflection of the anticipated need for primary elections for Governor and U.S. Senator during the upcoming year. If these primaries are not required the budget will return to a level more representative of the times.

Code 135 – Assessor

The Assessor's Office will resume the full value revaluation of all properties within the Town to better reflect the changing values of real estate within the community. This program is required by the State of Connecticut and was delayed last year due to the decrease in the number of real estate sales that occurred. The Town has entered into a contract with a private company to assist with the revaluation at a cost of \$277,597 in the 2010-2011 Budget. The salary account has also been modified to reflect the loss of one permanent full time staff member and for adjustments for salaries. The total staff has been reduced since 2004 by 4 positions, from 14 to 10.

Code 140 – Law Department

The Law Department anticipates the need for outside legal services and experts based upon suits that are likely to be argued and settled in the 2010/11 fiscal year. The costs budgeted, which represent an increase of almost \$110,000 in the Prof. & Other Spec Serv. – Fees line, will only be spent if the cases develop as expected.

Code 171 – Planning & Zoning Commission

The Planning and Zoning Department expects that the theme of the 2010/11 fiscal year will be the implementation on the Plan of Conservation and Development (POCD) through the work of the five POCD committees. A key element of this effort will be freeing up sufficient staff and time to take on these additional work assignments and of course, having sufficient funds available to hire appropriate consultants on a selective basis to carry out this responsibility. The proposed budget includes some funds for this purpose. It is expected that staff will also perform studies on, and develop standards and criteria for limiting impervious surfaces on residential properties as well as developing new regulations to address drainage and flooding issues in conjunction with the DPW as recommended in the 2009 POCD. Other assignments that are anticipated include the following:

- Work with the Byram Neighborhood Association and Town Departments to implement the Plan's recommendations for physical improvements and beautification as recommended in the 2009 POCD.

- Update the Zoning Regulations for R-6 zone, Soil and Erosion Control, and Tree Preservation. Revamp all the Subdivision Regulations and adopt new Low Impact Development Regulations as needed to comply with Phase II for Stormwater Best Management Practices required by DEP and EPA as recommended in the 2009 POCD.
- Work with DPW to update the 1954 Excavation and Fill Ordinance and present to the RTM for adoption.
- Conduct an inventory and assessment of the Town's Natural Resources thru the cooperation of the Town's non-profit land use organizations, a consultant and the Town's three land use agencies.

Code – 196 Senior Center

The budget request for the Senior Center includes two elements. They are the elimination of two part time positions and the creation of a full-time Program Coordinator. The Center believes this initiative, that was begun last fiscal year, will result in a richer more varied program for our senior population. The second change is designed to upgrade the nutritional value of our senior lunch program and also remove a major weakness in the program when our cook is not able to be present. It involves a contract with Morrison Food Management for food planning, purchasing and oversight of our lunch program. This proposal will increase our net cost to provide this program by approximately \$70,000.

Fire

Code 201 Fire Department – Administration

Code 202 Fire Department – Training

Code 204 Fire Marshal

Code 205 Fire Fighting Force

Code 208 Fire Department – Administration – Volunteer Recruitment & Retention

The Fire Department budget reflects no additional positions for the 2010-2011 fiscal year. All divisions will be functional and services will remain intact with the recommended appropriation for 2010-2011.

The 2.2% total increase in the operating budget includes salary funding for firefighters and an overall 8.2% increase in costs for our volunteer firefighting services. The labor agreement with the Local 1042 International Association of Fire Fighters expired on June 30, 2009 and is currently in arbitration.

The line item for water service reflects a 3% increase of \$27,230 and reflects increases approved by the State for water service provided by Aquarion Water Company.

The Capital Budget includes funding necessary to continue and complete our public safety covenant with the residents of Greenwich. The most important public safety priority is the need to address the failing Central Fire Station/Headquarters. The Public Works Department continues to move this project forward with an eye towards efficiency and public safety. This downtown Fire Station is the cornerstone of our overall protection plan and is critical to the infrastructure of our Town. It is important to note that within a 1 mile radius of the station over 10 billion dollars of residential and commercial property is protected. This represents over 20% of the property within Greenwich. The apparatus from Central Station has a greater response responsibility than any of our substations and is the anchor of our fire safety services within the community.

Architectural and engineering funding for the King Street fire station is included in the Capital Budget. This station is critical for addressing public safety deficiencies in the Northwest community. The combined residential and commercial properties in this area make this a requirement to meet our safety concerns.

Perhaps as important to what is included in this year's fire department request is what is absent. The funding of the dry hydrant plan this year will be financed through a grant received from the State of Connecticut. This \$250,000 grant will enable us to continue our efforts to develop additional water sources in non-hydrant areas. These safety improvements combined with the recently implemented combined public safety dispatch system will continue our goal of adding to the quality of life for our residents.

Police

Code 211 – Police Department – Administration

Code 213 – Police Department – General Services

Code 216 – Police Department – Criminal Investigations

Code 217 – Police Department – Uniformed Patrol

The 2010-2011 Police Department recommended budget of \$18,144,888 reflects 1.4% increase over the current fiscal year's budget of \$17,891,217.

This is the third consecutive year that the department's budget, in keeping with the budget direction provided by the municipality, has shown significant reductions in non-salary expenditures. These reductions have already resulted in reduced training levels and the depletion of stockpiles of resources, including uniforms, weapons and equipment. The public safety requirement to continue the normal provision of all core law enforcement and maintenance services in the current budget environment may result in the department's inability to provide all services at current levels. Specifically, the areas of Marine Patrols, Traffic Enforcement, School and Community Outreach, and the Citizen's Police Academy program have been identified as areas for possible reduction in allotted personnel and financial resources. Recently adopted State legislation required

changes in juvenile justice will further strain the availability of police resources in other areas.

Completion of construction and occupancy of the police headquarters portion of the municipality's new Public Safety Complex during the current fiscal cycle has served to bolster morale and ease many of the organizational hardships that were associated with our previous inadequate facility. Further encouraging is that a resolution has been reached in the *Honulik v. Town of Greenwich* lawsuit and the concurrent injunction on promotions above the rank of Lieutenant has been lifted. As these positions are filled, the department looks forward to the opportunity to refresh and reinvent itself. In addition to a complete management reorganization, the Chief of Police is looking forward to initiating implementation of the department's long-delayed adoption of an Intelligence-Led Policing philosophy. This new methodology should enable the maximum return on limited available resources and ensure provision of the most effective law enforcement services possible.

Department of Public Works

Code 301 – DPW Administration

Code 302 – DPW Engineering Division

Code 312 – DPW Highway – Streets & Bridges

Code 321 – Waste Disposal

Code 345 – Building Construction and Maintenance

Code 351 – Building Inspection

Code 361 – Sewer Division (Non-General Fund)

The 2010-2011 Department of Public Works (DPW) recommended General Fund budget of \$20,537,900 reflects a \$296,102 increase over the current fiscal year's budget or a 1.5% increase.

DPW continues to implement its Capital Improvement Program for Town infrastructure such as Town buildings, roads, bridges, drainage systems, wastewater treatment systems, solid waste disposal facilities, and related areas. In addition to this work, DPW maintains this infrastructure throughout the year. Given staff reductions in 2009, the Department reorganized. The Engineering Division is responsible for traffic engineering functions while the Highway Division is now handling all traffic operations. The proposed FY 10/11 capital budget focuses predominantly on existing infrastructure, in keeping with current economic constraints.

DPW's main mission is to care for Town infrastructure and administer critical programs such as building permits and inspections and proper waste disposal. Many of its activities are required by regulation: from the Grass Island Wastewater Treatment Plant's permit to the Phase 2 stormwater regulations. Few services DPW provides are truly optional, thus the 2009 staffing reductions

have meant reduced service levels in certain areas. Highway has fewer staff, which means it can take longer to address complaints or special work requests, and maintenance schedules for items such as storm drains, street sweeping and other repairs must be spread out. Building Inspection has had to reduce Records Room office hours, and zoning complaint investigation has been significantly reduced although complaints have not decreased. Engineering has fewer staff and as a result, to keep up with development review work, capital project workloads are being reduced by stretching out or putting off projects and ongoing use of outside consultants where appropriate and necessary. Time consuming projects such as new sidewalks have to be limited to provide staff time for other important projects such as bridges and drainage. Other DPW staff reductions mean that more overtime may be incurred to cover necessary operating hours.

Programs that might be deemed more discretionary, such as Neighborhood Traffic Calming (NTCP) or leaf collection, are under review. The NTCP was not funded in FY 09/10, and if the program is funded in future years, DPW will need to limit the number of projects considered at any given time as these are very staff intensive. Leaf collection is an area that is also under review to determine if changes to the program can free Highway staff for other duties such as drainage system maintenance and sidewalk rehabilitation. During leaf season all critical work must be suspended for the leaf program.

While DPW has interest in new technologies and approaches, such as applying low impact development techniques to its own projects, reduced staff and resources make it more difficult to take on such work. Furthermore, both existing and anticipated stormwater management requirements continue to change the way stormwater systems are maintained. Balancing desired maintenance goals with actual staffing levels becomes increasingly challenging. To help this process, DPW is implementing a computerized asset management system to help prioritize work, track asset condition, and evaluate maintenance program effectiveness. DPW will need to carefully prioritize projects to juggle all these demands.

Stimulus Funding

The Public Works Department expects to see federal stimulus money available in 2010 for paving. Staff engineers have dedicated significant amounts of time to coordinate with the Connecticut Department of Transportation (CTDOT) in order to meet the necessary federal and state requirements to receive the funds. Approximately \$1.3 million is slated to be used to pave selected major roadways in the downtown Greenwich area. Additional public works stimulus money was made available through a special community development block grant of \$250,000, which will be used to build a new sidewalk on Hamilton Avenue from Armstrong Court to St. Roch's Avenue.

Fleet

The 2010-2011 Fleet Department recommended budget of \$2,837,937 reflects a .5% decrease over the current fiscal year budget of \$2,850,961. Major increases were in the areas of fuels and auto parts. Savings will be achieved through the elimination of the Superintendent of Fleet Operations position. This year the department will work to continue to lower our costs by decreasing the use of outside vendors and performing more work in-house, as staffing and workload permits.

For FY 10/11, the Fleet Department will also be working with the major user departments to standardize equipment specifications with the goal of streamlining fleet vehicles and equipment purchases to permit greater utilization. We will continue the use of hybrid automobiles and research the possibility of hybrid equipment in larger applications.

Health

Code 401 – Health Administration

Code 402 – Health Department – Community Health

Code 405 – Health Department – Environmental Health

Code 415 – Health Department – Adult, Maternal

Code 425 – Health Department Laboratory

The 2010-2011 Health Department budget of \$2,155,813 reflects a 1.9% increase over the current fiscal year's budget of \$2,115,598. All personnel funded through grants are included with 100% benefit costs. This budget reflects no significant changes in operations for the Health Department for the 10/11 fiscal year.

Code – 440 Contribution to External Entities

The 2010-2011 budget for External Entities reflects an increase of \$302,691 or 7.0%. It includes the Town's contributions to Greenwich Emergency Medical Service (GEMS), Transportation Association of Greenwich (TAG) and to Channel 79. Last year I had hoped to make the GEMS service to the northwest portion of the Town seven days a week and 24 hours per day. Due to the economy I was not able to proceed with that initiative. This year I am proposing that we make this service seven days per week and 24 hours per day. This upgrade of emergency medical services to the northwest portion of the Town will fill a serious gap in coverage that we have had for many years. This upgrade will annually cost the Town \$186,000.

We have also received a request for funding from the Greenwich Historical Society. The society provides important services to the town in terms of maintenance of certain Town archives and public school education of the colonial

and industrial period of our history. I believe their contribution to the Town is important and I am proposing that we provide funding of \$50,000 to support their work.

Greenwich Emergency Medical Services – GEMS

The 2010-2011 Town's annual recommended contribution to GEMS is \$3,652,494 reflecting a 7.3% increase over the current year. Of that increase, 5.4% is the funding necessary to increase coverage along the Northwest quadrant of Greenwich to 24 hours a day, seven days a week. Current coverage is daily from 7am to 7pm only. The remaining 1.9% increase is for year-to-year normal operating expenses and is within guidelines. This increase of \$186,000 represents a major initiative that I support for increasing emergency medical response services for our citizenry.

Nathaniel Witherell

For FY 2011, the Nathaniel Witherell (TNW) has proposed an expense budget of \$22,877,381. This reflects a 3.1% increase over the previous year's budget of \$22,180,633. TNW's \$22,478,292 revenue budget for FY 2011 anticipates a 1.8% increase in net revenue compared to the 2010 budget of \$22,180,633. This incorporates an expectation that Medicaid reimbursement will remain flat due to a Statewide freeze on Medicaid rates (Medicaid accounts for 60% for TNW's business). The rate freeze was enacted 2 years ago by the Connecticut legislature in an attempt to minimize the growing State budget deficit, which has been further exacerbated over the past year by significant economic decline in Connecticut. On January 28, 2010, a Federal lawsuit was filed by CAHCF, the CT Association of Health Care Facilities, against the State of Connecticut seeking more Medicaid funding for nursing homes.

Despite expectations of operating losses in the past two fiscal years, The Nathaniel Witherell exceeded its budget in both years by generating operating gains of \$47,169 and \$91,176 respectively. For FY 2010, TNW budgeted an operating loss of \$153,257. Nevertheless, through the first half of the year, an \$11,327 operating gain has been achieved, despite aggressive accruals by TNW management of Town overhead expenses.

TNW's 2011 budget anticipates an operating deficit of \$399,098 plus net enterprise expenses of \$127,635. Based on TNW's experience over the past 2 ½ years, during which relentless expense control has been the watchword of TNW's management team, TNW's management and board are optimistic about surpassing budget expectations in 2011.

Social Services

The 2010-2011 Department of Social Services Budget is \$3,168,088, which represents an increase of \$13,134 or .4%. The recommended Budget for FY 2010-2011 for external entities is \$279,000 and represents a decrease of \$1,785. This year the Town received a new funding request from Family Centers Inc. I view their services as important to the community and have recommended a contribution of \$40,000. Because of this reallocation it has become necessary to decrease funding for some of the other External Entities. I have therefore modified their funding to obtain the best mix of programs and services for our residents while remaining within the budgeted funds.

Schools

- Code 600 – Administration**
- Code 620 – Instruction**
- Code 640 – Operation of Plants**
- Code 660 – Pupil Transportation**
- Code 675 – Student Body Activities.**

The 2010-2011 overall Schools recommended budget of \$131,509,261 represents a 4.4% increase over the current year's appropriation of \$125,984,258. The majority of the increase is attributable to wage increases determined by bargaining group contracts and a projected rise in enrollment.

Despite the challenges of preparing this recommended budget for this year the District proposed a operating budget that will maintain programs and services that are geared to improve achievement and is under the BET Guideline by almost \$62,000.

The Schools' proposed budget maintains a student to certified staff ratio of 10.2:1, accounts for an expected increase in enrollment of 56 students, and sustains and focuses on improvement strategies already underway, without introducing new initiatives. The proposed budget continues to place the primary focus on classroom instruction and maximizing budgetary allocations to programs and services that improve student outcomes

Libraries

- Code 701 – Greenwich Library**
- Code 702 – Peterson Foundation**
- Code 710 – Perrot Memorial Library**

The 2010-2011 overall Libraries recommended budget of \$10,021,723 represents a .4% increase over the current year's appropriation of \$9,985,937

In these challenging economic times, it is clear that the Library is more valuable and relevant to the children, adults and families of the Greenwich community than ever before. Patron visits and circulation both increased 6% over the previous fiscal year. During the fourth quarter, usage increased dramatically including circulation (11% increase), door count (16% increase) and program attendance (13% increase) as the economic downturn caused even more patrons to turn to the Library for services. Major accomplishments for this year include the following;

Greenwich Library was named a Five Star Library by *Library Journal* in a nationwide ranking of libraries. The newly renovated and expanded Byram Shubert Branch Library reopened on March 28, 2009 with over 700 patrons per day visiting the branch. "Catch the Reading Bug" summer reading program drew a record total of 412 participants at the Main Library, compared to 284 last year, a 45% increase. The Library hosted acclaimed author David McCullough and entrepreneur Ted Turner. As the economic downturn continued, the Information Services Team responded with a series of 15 programs focusing on careers throughout the month of March, designed to sharpen business and job searching skills.

Parks and Recreation

- Code 801 – Parks and Recreation Administration**
- Code 811 – Parks and Recreation – Recreation Superintendent**
- Code 812 – Parks and Recreation – Organized Recreation**
- Code 814 – Parks and Recreation – Eastern Civic Center**
- Code 817 – Bendheim Western Greenwich Civic Center**
- Code 821 – Parks and Trees – Administration**
- Code 822 – Parks and Trees – Parks/Playgrounds/Fields**
- Code 823 – Parks and Trees – Administration**
- Code 825 – Parks and Trees – Equipment Maintenance**
- Code 829 – Parks and Trees – Trees**
- Code 831 – Marine – Supervision**
- Code 832 – Marine - Maintenance**
- Code 833 – Marine – Beaches**
- Code 834 – Marine – Harbors and Boating Facilities**

The 2010-2011 Parks and Recreation recommended budget of \$9,664,939 represents a 1.2% decrease over the current year's appropriation of \$9,787,094.

Working with department management, the department has identified a number of services that can be managed and operated on a more cost efficient basis. Of particular note are services in the Parks Division and the Tree Division. The Town has completed negotiations with Teamsters Local 456 over terms and conditions of employment that would alter work rules and permit certain work

activities to be subcontracted in these two divisions. The successful conclusion of these negotiations resulted in our ability to outsource one tree crew and certain field renovations / improvements.

Fixed Charges

Healthcare

Growing healthcare costs in the midst of significant economic decline has continued to create challenges for our benefit strategies for next fiscal year. Healthcare costs are projected to increase by \$1.397 million or a 10.0% increase over the Town's costs for FY 09/10. Some of the problems in the insurance industry can be traced to the uncertainty that the recent health care debate in Washington has raised. Others are related to the continuing trend of higher than normal cost increases that ultimately impact insurance rates.

The Town through union negotiations and on-going education has moved over 400 employees to the High Deductible Health Plan & Health Savings Account (HDHP & H.S.A.) as of January 1, 2010. The HDHP has a lower premium with the same or better healthcare coverage. The plan shifts some of the cost and much of the responsibility for healthcare to the employee. The plans goals are to create better consumers while encouraging the management of the individual's personal health.

The Town has also partnered with our insurance brokers to obtain the best rates for our various plans of coverage. Lowering claims experience and encouraging healthy behavior through employee wellness continues to be an important focus. Despite these efforts we remain dissatisfied with the initial health care rates for 2010/11. Our Human Resources Department is actively seeking alternate proposals to permit some improvement in this important cost center. I anticipate that this effort will not be complete until sometime in March.

The management of our healthcare program and their associated cost has been and will be one of our most challenging tasks. It is clear that the cost implications of these benefits going forward are so significant that we can not afford anything less.

Pension Contribution

The Town's pension contribution in FY11 will be \$10.740 million which represents an increase of \$3.538 million or 50.0% from FY10. The Town's independent actuary annually evaluates the plan to determine our annual required contribution (ARC) needs based on our actuarial assumptions. This includes our obligations and the previous year's investment returns. The sharp decline experienced in the stock market in FY09 caused two-thirds of the increase while reducing the market return assumption (from 8.5% to 8.25%) and

other assumptions caused the remaining increase. Near future contribution increases should not exceed \$3 million per year and the positive pension performance this year (up 13.5% for the first six months) will help reduce FY12 pension contributions.

Other Post Employment Benefits (OPEB) Contribution

Last year, the Town appropriated \$1.635 million dollars from the General Fund of which OPEB paid back \$750,000 for implicit costs resulting in a net contribution of \$885,000. Similar to the Pension plan, OPEB assets declined last year from \$18.840 million to \$16.872 million. I am proposing a small increase to \$1.685 million with a net cost to the General Fund of \$885,000. Investment assets in the OPEB Trust Fund have rebounded due to improvement in general market conditions and now exceed \$20,000,000 as of December 31, 2009.

Risk Fund

The Risk Fund has a balance of approximately, \$2.6 million dollars. Given the claims that are presently known and the likely payouts over the next eighteen months, I recommend that we appropriate \$500,000 for this purpose. This will bring the Risk Fund up to the desired \$3,000,000 balance.

Parking Fund Contribution

FY 11 represents the second year that the General Fund will have to supplement the Parking Fund. With the depletion of the Parking Fund Balance this small transfer of \$184,000 will be required to pay some of the costs associated with this service.

Other Fixed Charges

Other fixed costs are expected to increase by \$795,000 or 3.89%. The majority of this item covers costs such as Social Security, Workers Compensation, liability and property insurance, debt repayments and other employee benefits. The largest increase in Fixed Costs this year is \$3.0 million to the Contribution to Capital Reserve for funds that may be needed to cover changes that occur as capital projects are bid or built.

2010/11 Capital Plan

The recommended Capital budget is \$50,431,000. It represents an increase of \$30,118,000 or 148% from the FY 09/10 budget.

This year's capital program has been particularly challenging. The problem that we faced was how to do all of the worthy projects that were submitted within the

funds that our financial plan will permit. The most challenging consideration in this year's CIP process was the realization that if the Town were to move forward with its two largest projects – Central Fire and MISA - our long term financing model would not work. Indeed, even moving forward with the projects in back to back fiscal years does not work within the present financing model. In order to consider alternate scenarios I have asked our Finance Department to research how we might be able to use other than five year financing to permit both projects to proceed in the same year or in a subsequent years. What we found was that without the use of ten year borrowings it will not be possible. If we were to proceed with 10 year financing of the MISA project, it would increase our interest cost by \$3.23 million. If both projects were financed over 10 year it increase our interest costs by \$6.19 million. Since ten year financing is not presently one of our options, the BET and RTM would have to approve such a change

Another problem that the inclusion of both projects in the same year creates is the elimination of every other proposal that was submitted. Most of these projects are necessary for the continued maintenance of the Town's and School's infrastructure and violates our long term commitment in this regard. Another idea that was explored was to stage the work, and thus spread the financial commitments, over several fiscal years. While this works marginally better on paper it has a number of inefficiencies and extra costs in practice. Each of the projects has some elements that lend themselves to separate bids. However, this approach will probably cause the overall cost to be higher and will cause coordination problems that may lead to even higher expenses. Staging the work also contravenes long term BET and RTM practice of not proceeding with a project until all of the funding has been authorized and appropriated.

I also considered which of the projects could or should be delayed and what the consequence would be to the community. With regard to the Central Fire Station/Headquarters, the Fire Department presently rents space at 75 Holly Hill Lane for administrative purposes at a cost of \$300,000 per year. As you know, they were moved out of the Central Fire Station almost four years ago to permit the commencement of the construction on the Police headquarters portion of the public safety facility to commence. The existing fire facility continues however, to house all of equipment and personnel necessary to protect the Central Business District of the Town and its environs. As I mentioned earlier, within a one mile radius over 20% of the Town's property value or \$10 billion dollars is at risk and this is in addition to the many people who live in this area. The present fire facility is deemed to be functionally and physically obsolete and must be replaced. The project is rated number four on this years Capital Project ranking and has been in our plan for replacement for almost ten years.

The High School Auditorium and Music Instructional Space is also highly rated on this year's list of projects coming in at number sixteen on our rating list. The Auditorium project is viewed by the Board of Education as their number one priority and the arguments put forth are equally persuasive. The facility is also

obsolete and does not fit the needs of the school population. There is no question in my mind that this project is important and should go forward.

I then considered the relative likelihood that each project would be able to reach the construction stage in the 10/11 fiscal year. I have spoken to various staff and board members from the land use agencies and land use attorneys about the issues that each project will raise and what they anticipate the time period for approval will be. In my opinion, the high school project is likely to be delayed until at least the 11/12 fiscal year and perhaps longer due to the process they will have to follow. Significant land use and neighborhood issues need to be addressed and resolved prior to obtaining all of the approvals that are necessary. I am confident that this will occur but I also appreciate the delays that are likely before everything is in place.

One final note, in the last few weeks I have heard a number of comments about compromises or reductions in the scope of the school proposal to enable the "revised" facility to fit onto the grounds. MISA must be done right. Whatever space or parking that is required for the long term needs of the school should and in my opinion must be included in the plan. To do anything less would be a disservice to future generations and not a wise use of our limited resources.

Considering all of these factors it is my judgment that only the Central Fire Station/Headquarters can go forward in the 2010/11 fiscal year with a reasonable expectation that construction will actually occur. Therefore, I have elected to include the Central Fire Station/Headquarters in the recommended 2010/11 fiscal year plan. The High School Auditorium and Music space project is included in the 2012/13 financial year plan and can not be moved forward any earlier unless the BET and RTM modify their financing plans to incorporate ten year financing. If such a change were to occur then the project could be moved up a year with minimal impact on our other capital needs.

The methodology that we followed to rate projects for inclusion in this years plan is the same that we have followed for many years. That is top priority was given to ongoing maintenance programs that the School and Town have funded over the past few years, existing projects that were underway and health and safety projects that have been proposed.

Maintaining the Town's infrastructure remains one of my top priorities and is reflected in the type of projects that you will see recommended. Below is a summary of the many of the Capital Projects that I recommend for next year.

Stormwater Master Planning

Stormwater master plans are designed to assess the hydrology / hydraulics of the Town's major river systems and their ability to handle storm flows under current and full build-out conditions. As applied to the Town's six major

watersheds, the studies do not necessarily evaluate specific drainage network (piping networks) capacities. Evaluating individual drainage systems within these watersheds is a more detailed process and may be pursued later based on need and funding.

The areas of Town south of the Town's riverine watersheds, being referred to as coastal for DPW purposes, are also to be studied. In these areas the focus is on the drainage network and its ability to convey flows to the Sound.

Stormwater master plans result in a list of potential capital improvements to provide increased protection to areas within the watersheds, typically to the areas in the flood plains along the rivers. These potential projects are then evaluated to determine their priority to rank them with respect to the needs across the Town. In some cases, particularly problematic drainage systems within each watershed have been studied as funds have permitted.

Future capital planning and prioritization is determined building on techniques employed in other municipalities throughout the nation as well as the Town's existing capital project ranking system. Working with the Flood and Erosion and Control Board, DPW developed a stormwater project prioritization process. Projects affecting public safety or where structural failure is anticipated are given priority, and all potential projects are being reviewed with representatives from the Town's emergency services agencies, including Fire, Police, and GEMS. Those projects which do not meet these high level criteria are evaluated using several factors ranging from number of parcels and acres affected to constructability and access /easement issues.

This process has resulted in the FECB requesting that DPW to proceed with the Church St / Sherwood Place and Rt. 1 drainage system improvements (being designed using FY 09/10 funds), as well as efforts to address the East Putnam Ave and Hillside Road flooding issue – this latter included in the proposed FY 10/11 budget. DPW has created a multi-year plan using the master plan results available to date. The plan will continue to evolve as more study results become available.

- Study progress:
 - Byram: Being pursued with the Army Corps. Basic site data and initial modeling has been completed. DPW focused efforts on a few key critical drainage network issues while the Town pursues federal funding for the much larger study. DPW is designing improvements to the Pemberwick Park trash rack and the rockslide area on Pemberwick Road.
 - Master Plans: Brothers & Binney Brook studies have been completed, adding to the Strickland Brook and Old Greenwich Drainage System reports. Horseneck Brook is currently under study.

Future work will include reviewing the remaining coastal areas, addressing drainage network issues being identified throughout this process, and developing plans to manage the results of these studies. As noted in the CIP summary table, DPW is requesting \$500,000 to apply towards the Tom's Brook area, Mianus, and /or Byram River watershed in FY 10/11. Byram's work will be dependent upon the availability of federal funds.

As we move forward on these master plans and resulting capital plans, the work is being reviewed with the Land Use agencies, FECB, and the Town Administration. These groups will all provide input to DPW regarding potential capital projects. The projects will also be presented to the public at FECB meetings and at neighborhood meetings, as appropriate.

Central Fire Station / Headquarters

With the completion of the new Police Headquarters, DPW has shifted its effort to the Central Fire Station/Headquarters (CFS) project. DPW's more detailed investigation into the CFS has uncovered that the building was constructed as an unreinforced masonry structure. DPW's consultants have expressed concerns that the existing building structure cannot be sufficiently reinforced to meet the building code. Executing a renovation without installing structural reinforcement does not make prudent financial sense nor does it take into account the safety of the occupants and their public safety assignment. To assist with this issue, The Town has hired a forensic architect to review the available historic drawings and determine the viability reinforcing the structure.

At this time, cost estimates based on information DPW has to date, clearly indicate it is more cost effective to demolish and build a new structure. DPW recognizes the desire to preserve the Town's historical buildings, and is looking into a proposed new building using materials salvaged from the existing CFS to replicate the current architectural style. The new building will incorporate minor design improvements and resolve infrastructure (e.g. generator, transformer, etc.) placement issues resulting in a more functional building with a smaller footprint. This latter aspect also provides safer egress of fire apparatus onto Havemeyer place. The project costs total \$23,050,000 and include the annual costs of maintaining the Fire Administration space at the Holly Hill rental property.

Sidewalk Program

DPW has designed and constructed sidewalks in Greenwich for decades. In keeping with its needs based prioritized capital plan, DPW worked with the First Selectman's Pedestrian Safety Advisory Committee (PSAC) to develop criteria for the installation of sidewalks. The PSAC was charged with reviewing the *Town Wide Inventory of Pedestrian Safety Needs* completed by the Selectmen's

Pedestrian Safety Committee (SPSC) in 2006. The SPSC had been given the task of improving pedestrian safety within the Town by identifying areas where either the absence of sidewalks or the condition of existing sidewalks or other factors, such as absence of crosswalks, raised safety issues for pedestrians. In carrying out this task, the SPSC prepared the *Inventory*.

The PSAC was directed to further develop the criteria to be used in establishing a Sidewalk Master Plan, based on public need. The PSAC sought the views of Town residents by several means, including holding four public workshops at different locations within the Town, distributing a Sidewalk Need Questionnaire at the November 2008 workshops and publishing it on the Town website and maintaining a link for public comments on the Town website. After considering the work performed by the SPSC, traffic calming and Safe Routes studies, the oral and written comments received from the public and the advice of expert consultants and DPW engineers, the PSAC identified the criteria to be used in determining whether a public need exists for construction of a sidewalk on a given street within the Town.

DPW is using the results of this work to build a multi-year plan for sidewalk construction, where projects will be proposed on the basis of need and be funded in accordance with the economic climate at that time. As DPW evaluates potential projects, it is considering other important criteria such as costs, engineering issues, need for easements, construction issues, environmental concerns, as well as public safety. In the FY 10/11 budget, DPW is requesting \$660,000 for sidewalks. One existing sidewalk that is in need of reconstruction is located on Byram Road between North Water and Henry Streets. This sidewalk is in poor condition and requires significant engineering prior to its reconstruction.

Asphalt Paving Program

The proposed budget of \$2,000,000 will permit the department to continue the Asphalt Paving and Road Surface Treatments in accordance with Pavement Management Program. Each year the department evaluates the condition of the Town roads in accordance with our Pavement Management Program. The Pavement Management Program allows the Town to rate all roads to determine in what order they will be repaved. Annually the Town establishes a schedule of those roads that require service based upon on their rating on the Pavement Condition Index (PCI). Roads that have been rated less than 70 – Arterials, 65 - Collectors and 55 – Locals, need to be brought up to these standards.

Bridges

Perhaps the largest project proposed for 2010/11 is the rebuilding of the Palmer Hill Bridge. The Town began work on this bridge in 2006 by hiring a consultant to investigate a failing masonry wingwall and guiderail. The report submitted recommended repair / replacement of wingwalls and guiderail. In FY 07-08

design of these repairs commenced and additional wingwall deterioration was discovered on the west side of the adjacent bridge. The cost estimate for final design and permitting for this work was updated to \$300,000. Final design of all deteriorated wingwall areas and new guide rail for both bridges has been completed and all permit applications for the proposed work has been submitted to DEP, CAM and wetlands. Funding is now requested to commence construction in the 2010/11 fiscal year.

Town Wide Asbestos & Lead Program

This is an annual program to abate asbestos and lead containing materials as they are encountered in the maintenance and repair of Town owned buildings. Formerly, each component was individually requested until the FY03/04 budget when they were combined into a single reduced request. The funds allocated in this program are totally consumed each year. The program covers the cost of material testing and abatement by a Connecticut licensed abatement contractor. Due to the age of most of the Town buildings, asbestos and or lead is almost always present. This program addresses any potential exposure issues and minimizes the liability of the Town from the occupants or employees who may come in contact with such materials. Unfortunately, it is only when a building undergoes a total renovation that all the asbestos and or lead can be removed at one time. Funds requested for fiscal year 10/11 are \$50,000.

Round Hill Road at John Street

To optimize traffic flow, accommodate truck movements, and address operational and safety issues. Large trucks are frequently unable to maneuver around the existing island without encroaching onto the island or impacting the property on the northwest and southwest corners of the intersection, specifically damaging the cemetery stone wall on the southwest corner. The department has studied the intersection recommended intersection modifications. Work that is proposed includes the construction of a raised island with granite curb along with modifications to the southwest and northwest corners of the intersection. Cost is estimated at \$295,000.

Sewer System Projects

Pump Station Rehabilitation at Ballwood; Husted; Meadow; Chapel Lane; Cos Cob; Old Greenwich & South Water. Construction is estimated to cost \$4,200,000. This is a continuation of the Sewer Division's Collection System Asset Management Plan. This is part of our ongoing program to bring the collection system pump stations up to current standards and replace equipment/infrastructure which has exceeded its useful service life. Funding is for the construction phase. The design phase was approved in the 09/10 budget and is underway.

Force Main Improvements: Old Greenwich Common Force Main at cost of \$192,500. This work is related to the existing Consent Decree from the USDOJ, USEPA and CTDEP. Work includes several tasks that were outlined in the 2005 Old Greenwich Common Force Main Structural Integrity Investigation. This force main is a critical piece of the Town's infrastructure as it serves three of the four largest pumping stations the Town maintains/operates.

Sewer Rehabilitation (Design & Construction) at various locations at a cost of \$2,343,000. This is an ongoing project that is in accordance with the Collection System Asset Management Plan that provides a roadmap for sewer rehab necessary each year over the next 19 years. This project will focus on addressing some critical large diameter sanitary sewers. With approximately 185-miles of gravity sewer, we estimate the asset (pipelines) is valued at over \$195-million. Using an expected service life of 75-years, and 1.5% replacement per year = \$2.9 million per year needed to maintain/repair the existing infrastructure (pipelines).

Sewer Maintenance at a cost of \$200,000. This provides funding to handle maintenance of sanitary sewer system (including, but not limited to, equipment such as blowers, VFDs, pumps, generators, etc.), as well as other critical components of the sanitary sewer system not part of other major pump station or plant capital projects.

Phase 1 & 2 SSES Ongoing: Private Inflow Source Removal Program at a cost of \$230,000. This work is related to the existing Consent Decree from the USDOJ, USEPA and CTDEP and is part of an ongoing program to remove clear water sources from the sanitary sewer system. The funds requested will continue the program, provide assistance with developing compliance for surcharge ordinance, develop lateral rehab program, etc.

Grass Island WWTP – Grit System Upgrades is for design expenses of \$300,000. This project will address the design of replacement of the existing grit removal system. The design efforts will be based on the results of the current engineering study which was approved in the 09/10 budget and is underway. Working on replacing this equipment which has exceeded its useful life is in accordance with the recommendations of the WWTP's Asset Management Plan, which provides a long term plan to address maintenance/rehab for the plant over the next 15+years.

Parks & Recreation Capital Items

Ferry Lifejacket replacement (USCG Mandate) at a cost of \$25,000. Each ferry is required to carry a certain complement of approved life vests in accordance with it's' vessel certificate. Many existing life vests have been determined to be deficient and must be replaced in order to pass the next vessel inspection.

GPS Tracking System (USCG Mandate) US Coast Guard has issued form CG-835 officially notifying the town that they must replace all LORAN-C navigation aids with the new GPS standard at a cost \$25,000.

Continuation of the Town's Organic Turf Program at a cost of \$275,000. Natural turf management program and protocol for the Town's athletic fields replacing reliance on traditional chemical products for all town fields. With favorable results of recent Collective Bargaining, the funds requested were reduced by \$119,000 from the previous year.

Playground Inspection & Upgrade Program at a cost of \$25,000. Continuation of previously approved annual maintenance programs. Includes annual inspections by certified inspector and minor repairs to individual components. This program has been designed to provide a safe and high quality playscapes for the 32 playgrounds in Town.

Renovation and Maintenance Program for Athletic Fields at a cost of \$189,000. Continuation of previously approved annual maintenance programs. Includes reconstruction of infields, edge and alignment of base paths, pitchers rubber, home plate, top dressing, replacement of clay, irrigation etc.

Tennis & Basketball Maintenance Program at a cost of \$50,000. Continuation of previously approved annual maintenance programs. Includes remediation of complete units, court resurfacing, nets, posts, fencing and lighting

Marina Pier Rebuilding Program at a cost of \$50,000. Continuation of the multi year program to rebuild pier structures at the Cos Cob marina, north and south piers.

Replace Workboat (Skipper II) outboard motor at a cost of \$16,500. The existing engine purchased and installed in 2002 has reached the end of its useful life. It will be replaced with a 225 HP Yamaha outboard four stroke 25in shaft with stainless steel propeller.

Athletic Field Mower replacement at a cost of \$45,000. Existing mower is 12 years old and in need of replacement.

Replace Greenwich Point Waterline at a cost of \$175,000. The origin of the project dates to 2002 with a design and development of the necessary permits. With the last of the permitting now in hand, these funds cover the cost of replacing the 700 foot temporary water line will run through Eagle Pond and serve the Chimes Building, picnic area, restroom, caretaker's cottage, OGBYC and the town marina.

Relocate Grass Island Electric Underground at a cost of \$75,000. Relocate of overhead primary electrical facilities at Grass Island underground. This project is

in response to safety concerns raised by resident boaters who have informed us that sailboat masts can potentially become entangled in the overhead wires resulting in severe injury or even death.

Park Lighting Upgrade Program at a cost of \$82,000. Installation of lighting at the entrance, exit roads and parking area of the Montgomery Pinetum Park

Cos Cob Marina Retaining Wall Replacement at a cost of \$600,000. Replace 200 linear feet of the 25 year old retaining wall at the Ferris Dock area of the Cos Cob Marina.

Dredge Cos Cob Marina at a cost of \$100,000. This phase includes engineering site studies, regulatory permitting submittals, hydrographic analysis and volume of dredge and disposal plans.

Board of Education Capital Projects

The Board of Education has a number of ongoing maintenance projects that continue from year to year based upon the school or schools in most need. These projects are the following: radiators, boilers and piping replacements at a cost of \$2,778,000; roof replacement at a cost of \$4,395,000; flooring, carpet and tile at a cost of \$2,052,000; architectural and engineering for 2011/12 projects at a cost of \$500,000; doors and windows at a cost of \$525,000; bathroom renovations at a cost of \$900,000; security systems at a cost of \$100,000; removal of the modulars at a cost of \$300,000; data cabling at a cost of \$250,000; site work and playground equipment at a cost of \$300,000 and a fitness center at a cost of \$470,000. The total cost of these recommended projects are \$12,570,000.

Replacement Vehicles

The Town follows a replacement program in which we evaluate and select which vehicles and trucks need to be replaced annually. Since the Town's fleet of cars, trucks and various equipment exceeds 400 individual items this is a complicated process. From a simple passenger vehicle, that our parking enforcement officer's drive daily, to a million dollar fire truck that is critical for our fire safety, the Fleet Department is responsible for its care. When the time comes that they need to be replaced it is this budget that covers these costs. The Fleet Department has recommended a budget of \$1,554,000 for this purpose.

Concluding Remarks

I would again like to thank and acknowledge the assistance and cooperation from the many Town departments and School officials in preparing this budget. The budget represents not only many hours of staff time but the culmination of many difficult decisions on where reductions had to be made. After two years of this process I can say with confidence that all of the easy cuts have been made. If

we find that next year it becomes necessary to reduce this budget further than specific services will have to be identified to permit an orderly reduction in the programs that we offer to our citizenry. I hope and expect that will not become necessary.

Respectfully submitted,

A handwritten signature in black ink, reading "Peter J. Tesei". The signature is written in a cursive style with a large initial "P" and a distinct "T".

Peter J. Tesei
First Selectman