

1. BET Meeting Documents

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**TOWN OF GREENWICH
REGULAR MONTHLY MEETING OF THE
BOARD OF ESTIMATE AND TAXATION
MONDAY, JANUARY 22, 2007
6:30 PM
TOWN HALL MEETING ROOM**

AGENDA

1. Call to Order and Pledge of Allegiance
2. Consideration of Applications:

ROUTINE APPLICATIONS

<u>Number</u>	<u>Department</u>	<u>Amount</u>	<u>Purpose</u>
ED-5	Board of Education	\$ 3,999	Approval to Use
	A6200668-51060	\$ 1,314	Julian Curtiss School
	A6200968-51060	\$ 1,314	IS Dundee School
	A6200468-51060	\$ 1,314	New Lebanon School
	A901-57050	\$ 57	Medicare

NON-ROUTINE APPLICATIONS

SE-6	Selectman's Office P935-57350	\$ 400,000	Additional Appropriation CRRRA, SWEROC and FCR vs. TOG
SE-7	Selectman's Office P935-57350	\$ 20,000	Additional Appropriation Heagney Lennon & Slane vs. TOG

3. Assessor's Report
4. BET Committee & Liaison Reports
5. Comptroller's Report
6. Acceptance of Treasurer's Report showing investments portfolio activity for the periods of December 1, 2006 - December 31, 2006
7. Approval of BET Minutes for:
Regular Meeting of the BET Meeting Minutes – December 18, 2006

8. Officer's Report
9. OLD BUSINESS
10. NEW BUSINESS:
 - Acceptance and Approval of Fiscal Year July 1, 2005 to June 30, 2006 CAFR
 - Approval of amendment to the Investment Management Agreement between State Street Global Advisors (SSGA) and the TOG dated August 28, 2003
 - Presentation by TNW Board – “A Call For Renewal”
11. Adjournment

Peter J. Tesei, Chairman

**TOWN OF GREENWICH
BOARD OF ESTMIATE & TAXATION**

MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, January 22, 2007 in the Town Hall Meeting Room, Greenwich, CT.

The Chairman, Peter J. Tesei, called the meeting to order at 6:30 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Peter J. Tesei, Chairman
Robert S. Stone, Vice Chairman
Alma Rutgers, Clerk
Nancy E. Barton
William R. Finger
James Himes
Edward T. Krumeich
Arthur D. Norton
Laurence B. Simon
Leslie Tarkington
Stephen G. Walko

Absent: Michael Mason

Ex Officio Board Members: James Lash, First Selectman; Peter Crumbine, Penny Monahan, Selectmen

Staff: Roland Gieger, Peter Mynarski, Finance Department: Ed Gomeau, Town Administrator; Ted Gwartney, Robert Shipman, Assessor's Office; Wayne Fox, Gene McLaughlin, Law Department

Other: Bill Kowalewski, Executive Director of The Nathaniel Witherell; Board Chair David Ormsby; Board Vice Chair, Chris Thurlo; Finance Director Ray Augustine; TNW Board members Don Fritz, Lloyd Bengson, Paul Toretto, and Thomas Sacardi; Linda Ziak, President of the Family Council and TNW and Harry Monies, Vice President

ROUTINE APPLICATIONS:

ED-5 BOE- Approval to Use- \$3,999

Request for approval to use:

\$ 1,314	to	A6200668-51060	Julian Curtiss School
\$ 1,314	to	A6200968-51060	IS Dundee School

checks are done to ensure that any deviations are within reason. Mr. Gwartney explained that as time goes by, ratios tend to drop. What might have been 70% at the time of revaluation one year ago may be below between 60-65% at the present time. Here, a 10% deviation is ideal.

Ms. Tarkington asked if five days was sufficient enough time for the Board of Assessment Appeal (BAA) Hearings. Mr. Gwartney stated that the BAA felt that the hearings could be completed in three to four days, and that it was extended to five to accommodate everyone in a convenient manner. Special circumstances can always be accommodated as well.

Ms. Tarkington asked if response to the Elderly Grant Applications could be done electronically, as this may be easier for some residents. Mr. Gwartney explained that proof of income must be provided, and this cannot be done electronically.

Mr. Simon pointed out that a signature is also required, making it necessary for residents to apply in person.

Mr. Simon asked about the status of MUNIS software difficulties. Mr. Gwartney reported ongoing problems with the system, and is moving forward to look at other software companies.

Mr. Gwartney will supply the final Grand List number for the next meeting of the BET. Mr. Simon asked what the final percentage increase was, and Mr. Gwartney responded that it was approximately 1.59%.

Upon a motion by Ms. Tarkington, seconded by Mr. Norton, the Board voted 11-0-0 to accept the Assessor's Report.

BET COMMITTEE & LIAISON REPORTS

Audit Committee- Robert Stone

Mr. Stone reported that the Audit Committee met on January 11 and January 17, 2007. The Committee reviewed the combined annual financial report for the year ended June 30, 2006. Scott Bassett, partner from McGladrey and Pullen, presented a report to the Committee. It was a clean opinion, without condition or reservation. The CAFR will be discussed under New Business.

Various actions taken by town departments concerning audit findings were updated. Town Administrator Ed Gomeau and Special Projects Manager Ron Lalli briefed the Committee on actions taken to address the findings of the audit. In summary, various payroll functions will be centralized in the near future. Another update is expected at the March 8 Audit Committee meeting.

A questionnaire and documentation concerning purchasing processes' to be completed by prospective contractors is being developed.

Efforts continue to get further understanding with regard to accidents involving town owned vehicles.

Human Resources Committee-Leslie Tarkington

Ms. Tarkington reported that the Human Resources Committee met on December 11, 2007. All Committee members were present, along with Maureen Kast, Mr. Lash and Mr. Tesei. Mr. Mynarski also attended.

The M/C Committee members submitted questions for the four consultants selected, and Ms. Kast is consolidating the questions.

The Committee will meet with Archer and Hay on January 30, 2007. Telephone conferences will have to be arranged for Waters, based in Dallas, and CPS, based in California. It is hoped that this can be done on January 31, 2007.

A fifth consultant, Watson Wyatt, is being considered. Based in Philadelphia, with an office in Stamford, they responded to the previous RFP. Mr. Hubbs has worked with them in the past, and they received strong support from Committee members during the selection process.

The Committee met in Executive Session to discuss personnel matters related to the FY 2007-08 budget.

The Committee also reviewed its monthly reports.

Investment Committee-Arthur Norton

Mr. Norton reported that the Investment Committee met on January 4, 2007. Discussion involved the OPEB fund.

Mr. Himes reported that two actions were taken. To recommend from an investment standpoint an asset allocation standpoint to the OPEB committee to form a trust on the grounds of asset allocation, and pending decisions by the Ad Hoc Committee that a professional manager be retained to manage those funds.

Health and Human Services-Leslie Tarkington

Ms. Tarkington reported that she and Ms. Rutgers had met with the following departments to discuss their 2007-08 budgets and budget related issues:

- Social Services-The focus of the first meeting was the expectations and requirements of the Budget Committee. At a second meeting with Dr. Anyikwa and Dr. Russell Turk, Dr. Anyikwa reviewed a matrix she is developing that is designed to gather information about social service delivery which has not been available in the past.
- Board of Health-A request was made for an additional person to handle community health publicity; more recently this request was withdrawn and the Board approved a flat headcount to the current fiscal year.
- Commission on Aging- The proposed budget is up 3.1% due to changes in the salary account. More time may be necessary beyond the budget season to address issues such as adequate support services and the merging of the Senior Center under the Commission on Aging.
- The Nathaniel Witherell-CIP applications for Operating Capital, a passenger van and Project "Renew Witherell" have been submitted for FY 2007-08. Of an approximately \$6 million for the latter project, \$2.9 million are deferred maintenance items. Ms. Tarkington asked Mr. Mynarski to determine if there are deferred asbestos

or lead abatement issues which could cause a qualified opinion on the Town's audit due to the FASB #49 requirement, if not addressed in the upcoming fiscal year.

Retirement Board Liaison-Robert Stone

Mr. Stone reported that on the status of the performance of the retirement fund, in particular one of the money managers. This firm has consistently under performed the benchmark since inception three years ago. The number translates into a shortfall of roughly \$3 million which would adversely impact the town over time. An annual fee of 63 basis points has been paid for this service, for a total of \$600,000.

As an alternative, an index fund mirroring the benchmark in question would have cost between 5 and 10 basis points, or a total of less than \$100,000.

After meeting with Michael Pagliaro, Retirement Board Chair, Mr. Stone and Mr. Simon are waiting for word on what actions if any the Board is taking concerning their consultant, the manager in question and the adoption of suggested guidelines. Certain conditions are being considered for inclusion in the Retirement Boards budget for next year.

COMPTROLLER'S REPORT

Mr. Mynarski presented the report to the Board. He began by saying that a member of the Retirement Board, Lt. Mark Kordick, will come to the end of his term on February 2, 2007. There will be an election on January 26, 2007 for that position. There are currently two nominations: Lt. Kordick is running for another term and David D'Andrea from Parks and Recreation.

Mr. Mynarski reported that the Investment Committee met on January 4, 2007, and the meeting covered the establishment of a trust fund, a recommendation of an equity investment allocation, a review of the Public Act 06-79, and EFI Actuary Report.

In response to a question from Mr. Tesei with regard to the postponement of the sale of the obligation bonds, and when it may be re-opened, Mr. Mynarski said that a March 1 official statement date with a March sale is the tentative plan.

In response to a question from Mr. Stone with regard to the amount of insurance requirements for various vendors, and if \$5 million was enough compared to the previous liability requirement of \$25 million, Mr. Mynarski said that this is an ongoing discussion item, and that there is still difficulty in getting the \$5 million level of coverage. Most towns require \$1 million or \$2 million, and no town has \$5 million or higher.

Upon a motion by Mr. Stone, seconded by Mr. Walko, the Board voted 11-0-0 to accept the Comptrollers Report.

**ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO
ACTIVITY FOR THE PERIODS OF DECEMBER 1, 2006-DECEMBER 31, 2006**

Upon a motion by Mr. Himes, seconded by Mr. Norton, the Board voted 11-0-0 to accept the Treasurer's Report.

APPROVAL OF MINUTES

Upon a motion by Mr. Walko, seconded by Ms. Tarkington, the Board voted 11-0-0, to approve the Regular Meeting Minutes of the BET from December 18, 2006.

Mr. Simon noted a minor typographical error on Page 3 that will be corrected.

OFFICER'S REPORT

Mr. Tesei shared that after 10 years and 5 terms of service on the BET, he will not be seeking endorsement for another term. It is Mr. Tesei's hope that in the coming weeks of budget deliberations, prospective BET members will come forward and take an active interest that will be used for preparation for service on the Board.

Mr. Tesei praised the conscientious people he has served with on the Board. He has seen changes in the way that the Board conducts its business since 1998, and has shared in making deliberations more transparent and open for the public to follow. Budget guidelines have been developed and adhered to by the Town and the Board of Education. Taxpayers have had seven mill rate increases at or below 3.5%.

Mr. Tesei also praised the Assessor and Comptroller. Skilled professionals such as Ed Gomeau, Mr. Mynarski and Mr. Gwartney have made it possible to implement significant changes directed by the Board.

In closing, Mr. Tesei encouraged anyone interested in serving on the Board step forward.

Ms. Rutgers also made the announcement that she will not seek endorsement for a seventh term as Clerk of the Board. She is involved in a Masters in Writing program and has started a writing project that she is committed to. Ms. Rutgers has served the Town in some capacity for the past 22 years, 12 of which on the BET.

Ms. Rutgers expressed that she has enjoyed working with the Board members, and shared Mr. Tesei's sentiments with regard to the Boards responsibilities.

OLD BUSINESS

Upon a motion by Mr. Walko, seconded by Mr. Stone, the Board voted 11-0-0 to take up discussion of the recommendation of the OPEB Ad Hoc Committee.

Mr. Walko explained that the OPEB Ad Hoc Committee was re-instituted at the beginning of the term. On January 17, 2007, the Committee met, comprised of several members of the Budget

Committee, members of the Investment Advisory Committee, Mr. Stone, Mr. Mynarski, Mr. Gieger and Mr. Gomeau. The Investment Advisory Committee made a presentation and several recommendations. One of the recommendations was the following resolution:

“Resolved, that the Treasurer increase the Equity allocation of the Other Post Employment Benefits (OPEB) Fund to 50%, at a rate of not more than \$500,000 per month, effective immediately

Further resolved, that the Treasurer increase and maintain the 50% equity allocation on a basis of 40% to the Vanguard’s Total Stock Market Index, and 10% to the Vanguard Total International Index Fund.”

Upon a motion by Mr. Walko, seconded by Mr. Stone, there followed discussion.

Mr. Walko noted that the OPEB Ad Hoc Committee discussed a variety of topics relative to the OPEB Fund, and will be meeting again on March 13, 2007 at 5:00 PM. Several issues will require advisement from the Law Department, including the establishment of a trust fund and who the trustees should be as well as their authority.

Mr. Norton had abstained in his vote at the OPEB Ad Hoc Committee meeting.

The Board voted 10-0-1 in favor of the resolution as presented, with Mr. Norton abstaining.

NEW BUSINESS

Acceptance and Approval of the FY July 1, 2005 to June 30, 2006 CAFR

Mr. Stone stated that the Audit Committee had deliberated extensively on the CAFR and was fully satisfied about the adequacy, completeness and transparency of the report.

Upon a motion by Mr. Stone, seconded by Mr. Simon, the Board voted 11-0-0 to accept the CAFR for the FY July 1, 2005 to June 30, 2006.

Approval of amendments to the Investment Management Agreement between State Street Global Advisors (SSGA) and the Town of Greenwich dated August 28, 2003

Upon a motion by Mr. Simon, seconded by Mr. Walko, the Board voted 11-0-0 to approve the amendments to the Investment Management Agreement between State Street Global Advisors (SSGA) and the Town of Greenwich dated August 28, 2003.

Presentation by The Nathaniel Witherell Board- “A Call for Renewal”

Mr. Ormsby and Mr. Kowalewski made a presentation to the BET detailing their mission, services, and costs associated with these services.

ADJOURNMENT

Upon a motion by Mr. Norton, seconded by Mr. Finger, the Board voted 11-0-0 to adjourn at 8:33 P.M.

Respectfully submitted,

Valerie Zebrowski, Recording Secretary

Alma Rutgers, Clerk of the Board

Peter Tesei, Chairman