

## 1. BET Meeting Documents

Documents:

[BET\\_MEETING\\_AGENDA\\_02-20-07.PDF](#)  
[VOTED\\_BET\\_MEETING\\_AGENDA\\_02-20-07.PDF](#)  
[APPROVED\\_BET\\_MEETING\\_MINUTES\\_02-20-07.PDF](#)



**TOWN OF GREENWICH  
REGULAR MONTHLY MEETING OF THE  
BOARD OF ESTIMATE AND TAXATION  
TUESDAY, FEBRUARY 20, 2007  
6:30 PM  
TOWN HALL MEETING ROOM**

**REVISED AGENDA II**

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

**Requests for Budget Adjustments**

**NON-ROUTINE APPLICATIONS**

<b><u>Number</u></b>	<b><u>Department</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>
ED-6	<b>Board of Education</b> A6201792-52220	<u>\$ 475,847</u>	Additional Appropriation Electric Service
FL-1	<b>Fleet</b> A380-53500	<u>\$ 120,000</u>	Additional Appropriation Purchase fuel (gas & diesel) to 6/30/07

**ROUTINE APPLICATIONS**

PD-7REV	<b>Police</b> F213-53640 F213-53640 F217-51100 F217-57050	<u>\$ 21,705</u> 2,805 8,580 10,170 150	Approval to Use Tactical Firearms Equipment Taser Equipment Taser Training – Overtime Benefits
PD-8REV	<b>Police</b> F213-53640 F213-53640 F217-51100 F217-57050	<u>\$ 75,071</u> 39,250 8,285 27,137 399	Approval to Use CAPS Firearms System Patrol Rifle Equipment Rifle Training – Overtime Benefits
PD-9	<b>Police</b> F217-51100 F217-57050	<u>\$ 10,275</u> 10,126 149	Approval to Use Overtime Services Benefits
PW-4	<b>DPW</b> Z345-59560-27042	<u>\$ 100,000</u>	Release of Conditions Town Wide Space Utilization

LAW-1REV	<b>Law</b> A140-51400	<u>\$ 450,000</u>	Additional Appropriation Professional & Other – Legal Fees
SE-9	<b>First Selectman</b> P935-57350	<u>\$ 12,600</u>	Additional Appropriation Sabrina Pray vs. TOG
SE-10	<b>First Selectman</b> P935-57350	<u>\$ 13,248</u>	Additional Appropriation DiForio vs. TOG
SE-11	<b>First Selectman</b> P935-57350	<u>\$ 7,500</u>	Additional Appropriation Kerry Dunn vs. TOG
SE-12	<b>First Selectman</b> P935-57350	<u>\$ 25,000</u>	Additional Appropriation Boudreau vs. TOG
SE-13	<b>First Selectman</b> P935-57350	<u>\$ 29,000</u>	Additional Appropriation Spaulding vs. TOG
SE-14	<b>First Selectman</b> P935-57350	<u>\$ 4,858</u>	Additional Appropriation Kovach 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 January 1, 2007 – January 31, 2007
7. Approval of BET minutes for:  
Regular Meeting of the BET Meeting Minutes – January 22, 2007
8. Officer's Report
9. OLD BUSINESS
10. NEW BUSINESS:
  - Retirement Board: Approval of Agreement with Julius Baer Investment Management, Inc.
  - Acceptance of Assessor and Comptroller Evaluations
  - Update on the Retirement System by Mike Pagliaro, Chairman of Retirement Board and Molly Auth an NEPC consultant
11. Adjournment

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Peter J. Tesei, Chairman



**TOWN OF GREENWICH  
 REGULAR MONTHLY MEETING OF THE  
 BOARD OF ESTIMATE AND TAXATION  
 TUESDAY, FEBRUARY 20, 2007  
 6:30 PM  
 TOWN HALL MEETING ROOM**

**REVISED AGENDA II**

**Votes**

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

**Requests for Budget Adjustments**

**NON-ROUTINE APPLICATIONS**

<b><u>Number</u></b>	<b><u>Department</u></b>	<b><u>Amount</u></b>	<b><u>Purpose</u></b>	
ED-6	<b>Board of Education</b> A6201792-52220	\$ 475,847	Additional Appropriation Electric Service	No Votes
FL-1	<b>Fleet</b> A380-53500	\$ 120,000	Additional Appropriation Purchase fuel (gas & diesel) to 6/30/07	12-0-0

**ROUTINE APPLICATIONS**

PD-7REV	<b>Police</b> F213-53640 F213-53640 F217-51100 F217-57050	\$ 21,705 2,805 8,580 10,170 150	Approval to Use Tactical Firearms Equipment Taser Equipment Taser Training – Overtime Benefits	12-0-0
PD-8REV	<b>Police</b> F213-53640 F213-53640 F217-51100 F217-57050	\$ 75,071 39,250 8,285 27,137 399	Approval to Use CAPS Firearms System Patrol Rifle Equipment Rifle Training – Overtime Benefits	12-0-0
PD-9	<b>Police</b> F217-51100 F217-57050	\$ 10,275 10,126 149	Approval to Use Overtime Services Benefits	12-0-0
PW-4	<b>DPW</b> Z345-59560-27042	\$ 100,000	Release of Conditions Town Wide Space Utilization	12-0-0

LAW-1REV	<b>Law</b> A140-51400	<u>\$ 450,000</u>	Additional Appropriation Professional & Other – Legal Fees	12-0-0
SE-9	<b>First Selectman</b> P935-57350	<u>\$ 12,600</u>	Additional Appropriation Sabrina Pray vs. TOG	12-0-0
SE-10	<b>First Selectman</b> P935-57350	<u>\$ 13,248</u>	Additional Appropriation DiForio vs. TOG	12-0-0
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SE-14	<b>First Selectman</b> P935-57350	<u>\$ 4,858</u>	Additional Appropriation Kovach vs. TOG	12-0-0
3.	Assessor’s Report			12-0-0
4.	BET Committee & Liaison Reports			
5.	Comptroller’s Report			12-0-0
6.	Acceptance of Treasurer’s Report showing investments portfolio activity for the periods of January 1, 2007 – January 31, 2007			12-0-0
7.	Approval of BET minutes for: Regular Meeting of the BET Meeting Minutes – January 22, 2007			11-0-1
8.	Officer’s Report			
9.	OLD BUSINESS			
10.	NEW BUSINESS:			
	- Retirement Board: Approval of Agreement with Julius Baer Investment Management, Inc.			12-0-0
	- Acceptance of Assessor and Comptroller Evaluations			12-0-0
	- Update on the Retirement System by Mike Pagliaro, Chairman of Retirement Board and Molly Auth an NEPC consultant			
	- Accept actuarial report from EPI			12-0-0
11.	Adjournment			

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Peter J. Tesei, Chairman

MINUTES of the regular meeting of the Board of Estimate and Taxation held on Tuesday, February 20, 2007 in the Town Hall Meeting Room, Greenwich, CT.

The Chairman, Peter J. Tesei, called the meeting to order at 6:35 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
- Michael Mason
- Arthur D. Norton
- Laurence B. Simon
- Leslie Tarkington
- Stephen G. Walko

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

Staff: Peter Mynarski, Roland Gieger, Finance Department: Ed Gomeau, Town Administrator; Ted Gwartney, Robert Shipman, Assessor's Office; James Lavin, Retirement Board; Chief James Walters, Police Department; Betty Linck, Fleet

Other:; Michael Pagliaro, Retirement Board Chairman; Molly Auth, Kristin Reynolds, New England Pension Consultants

Mr. Tesei began the meeting by saying that Application ED-6 had been withdrawn, and that this application will be taken up in March.

**NON-ROUTINE APPLICATIONS**

FL-1 FLEET-Additional Appropriation-\$120,000

Request for additional appropriation:

\$120,000 to A380-53500

Additional funds to purchase fuel (gas and diesel) to 6/30/07

\$120,000 from

Contingency

Mr. Walko presented this application to the Board. This is a request for an additional appropriation for the purchase of diesel and gasoline fuel. The Budget Committee, at their February 13, 2007 meeting, recommended that this matter be put off until the April meeting.

Ms. Linck was present to request that this item be taken up at this meeting. Ms. Linck said that she prepared an additional spreadsheet document on gasoline and diesel fuel usage indicating that by April there will be no funds for fuel. The figures show that by mid-April there will be a \$3,000 deficit in the fuel fund. If she waits until April to go before the BET, it will be June before the RTM sees the application. Fuel bills would not be paid for two months if this is the case.

Mr. Walko noted that the Budget Committee wanted to see further experience with respect to diesel and gasoline usage. At the time of the Budget Committee meeting, there did not appear to be the same urgency in the timing of this additional appropriation.

Mr. Tesei asked Ms. Linck if waiting until the March BET meeting and the April RTM would be possible. Ms. Linck responded that by the time of the April RTM meeting, she would be out of money.

Ms. Tarkington asked Mr. Mynarski to follow up on price risk and delivery risk. Mr. Mynarski said he will work with Ms. Linck on this.

Mr. Stone asked what types of entities Fleet entered into contracts with, and Ms. Linck said that this was handled by Purchasing.

Mr. Stone asked what company the contract was with. Ms. Linck responded that the contract was with Standard Oil for both gasoline and diesel fuel and for deliveries to the fuel sites.

Upon a motion by Mr. Simon, seconded by Mr. Krumeich, The Board voted 12-0-0 to approve an additional appropriation for the purchase of gasoline and diesel fuel.

#### **ROUTINE APPLICATIONS:**

##### **PD-7 REV    POLICE DEPARTMENT-Approval to Use-\$21,705**

Request for approval to use:

\$ 2,805	to	F-213-53640	Tactical Firearms Equipment
\$ 8,580	to	F-213-53640	Taser Equipment
\$10,170	to	F-217-51100	Taser Training-Overtime
\$ 150	to	F-217-57050	Benefits
\$21,705	from	F-213-35017	State Asset Forfeiture

##### **PD-8 REV    POLICE DEPARTMENT-Approval to Use-\$75,071**

Request for approval to use:

\$39,250	to	F-213-53640	CAPS Firearms System
\$ 8,285	to	F-213-53640	Patrol Rifle Equipment
\$27,137	to	F-217-51100	Rifle Training-Overtime
\$ 399	to	F-217-57050	Benefits
\$75,071	from	F-213-35018	Federal Asset Forfeiture

PD-9 POLICE DEPARTMENT-Approval to Use-\$10,275

Request for approval to use:

\$10,126	to	F-217-51100	Overtime Services
\$ 149	to	F-21757050	Benefits
\$10,275	from		Federal Highway Safety Grant

PW-4 DEPARTMENT OF PUBLIC WORKS-Release of Conditions-\$100,000

Request for release of conditions:

\$100,000	to	Z-34559560-27042	Town Wide Space Utilization
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LAW-1 REV LAW DEPARTMENT-Additional Appropriation- \$450,000

Request for additional appropriation:

\$450,000	to	A-140-51400	Professional and Other Legal Fees
\$450,000	from		Contingency

SE-9 FIRST SELECTMAN-Additional Appropriation- \$12,600

Request for additional appropriation:

\$12,600	to	P-935-57350	Settlement: Sabrina Pray vs TOG
\$12,600	from		Risk Fund Balance

SE-10 FIRST SELECTMAN- Additional Appropriation- \$13,248

Request for additional appropriation:

\$13,248	to	P-935-57350	Settlement: DiForio vs TOG
\$13,248	from		Risk Fund Balance

SE-11 FIRST SELECTMAN- Additional Appropriation- \$7,500

Request for additional appropriation:

\$7,500	to	P-935-57350	Settlement: Kerry Dunn vs TOG
\$7,500	from		Risk Fund Balance

SE-12 FIRST SELECTMAN- Additional Appropriation- \$25,000

Request for additional appropriation:

\$25,000	to	P-935-57350	Settlement: Bodreau vs TOG
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\$25,000 from Risk Fund Balance

SE-13 FIRST SELECTMAN- Additional Appropriation- \$29,000

Request for additional appropriation:

\$29,000 to P-935-57350 Settlement: Spaulding vs TOG  
\$29,000 from Risk Fund Balance

SE-14 FIRST SELECTMAN- Additional Appropriation- \$4,858

Request for additional appropriation:

\$4,858 to P-935-57350 Settlement: Kovach vs TOG  
\$4,858 from Risk Fund Balance

Upon a motion by Ms. Rutgers, seconded by Mr. Walko, the Board voted 12-0-0 to approve the routine applications.

**ASSESSOR'S REPORT**

Mr. Gwartney presented the Assessor's report to the Board.

Mr. Gwartney said that all of the work on the 2006 Grand List had been completed.

The Board of Assessment Appeals has received approximately 200 appeals for the 2006 revaluation. Appeals received by mail in that are postmarked no later than February 22, 2007 will also be accepted, so the total number of appeals is expected to be somewhat higher than 200.

Mr. Gwartney said that an upgraded version of the MUNIS system was installed on February 5<sup>th</sup>, which has created new problems.

Two additional court cases have been withdrawn. A total of 5 out of 89 cases have been withdrawn this year.

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

**BET COMMITTEE & LIAISON REPORTS**

*Audit Committee- Robert Stone*

Mr. Stone reported that the Audit Committee met on February 7, 2007 and continued the review of additional documentation which the committee will eventually suggest be included in the town's purchasing process. Drafts have been submitted to the Town Attorney. After receiving

input from the Town Attorney, the committee will request feedback from several departments that will be primarily affected.

The basic approach calls for the town to formally develop additional and meaningful background information concerning prospective contractors and vendors when the expenditure exceeds a threshold of \$250,000. The Risk Manager will be involved in the process in an advisory role in the future.

The Risk Manger updated the committee regarding accidents involving town owned vehicles.

Also discussed were requirements for and issuance of an RFP for engagement of the independent auditor for the current fiscal year. The committee agreed unanimously to reduce the required level of professional liability insurance from the \$25 million currently in place to \$5 million in an effort to increase the number of respondents.

#### Retirement Board Liaison-Robert Stone

At its January 2007 meeting, the Retirement Board terminated three of its managers: Armstrong Shaw, Sands Capital and TransAmerica WestCap, and moved the proceeds into index funds managed by Sate Street Global Investors. No action was taken concerning adoption of guidelines.

#### Human Resources Committee-Leslie Tarkington

The HR Committee met in Special Meetings on February 2, 2007 and February 9, 2007. All committee members were present at both meetings, with Mr. Mynarski present at the February 9,2007 meeting.

First Selectman Jim Lash presented his proposed fiscal year 2007-08 Human Resources budget to the Human Resources Committee on February 2, 2007. Town Administrator, Ed Gomeau, and Director of Human Resources, Maureen Kast accompanied the First Selectman.

The M/C Pay Plan Committee met on January 30, 2007 to interview two firms, Archer Consulting from South Carolina, and the Hay Group, which is based in Norwalk, Connecticut. It also met on January 31, 2007 to hold interview discussions with Waters Consulting from Dallas, Texas and CPS Hr Services from California. The M/C Committee met on February 9, 2007 to discuss the firms and to request certain clarifications.

### **COMPTROLLER'S REPORT**

Mr. Mynarski presented his report to the Board.

Mr. Finger asked for an update on the environmental situation with regard to the Tuchman property remediation. Mr. Mynarski said that he had no further update except that everything is in place as far as the Official Statement is concerned. Things are moving forward with the

financial advisor and bond counsel. Mr. Mynarski said that he is waiting for release from the Law Department. Mr. Finger asked who ultimately has responsibility for the remediation. Mr. Mynarski said he did not know, but will get the information for Mr. Finger.

Upon a motion by Ms. Tarkington, seconded by Mr. Stone, the Board voted 12-0-0 to accept the Comptrollers Report.

### **ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIODS OF JANUARY 1, 2007-JANUARY 31, 2007**

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

### **APPROVAL OF MINUTES**

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 11-0-1, to approve the Regular Meeting Minutes of the BET from January 22, 2007, with Mr. Mason abstaining as he was not present.

### **OFFICER'S REPORT**

Mr. Tesei said that he has received numerous calls and email communications with regard to budget matters. Mr. Tesei praised the members of the Budget Committee for their excellent work.

Mr. Tesei said that there was a request from the BOE Chairman for BET representatives to the RISE Committee. Mr. Walko and Mr. Simon have been appointed to this committee.

### **NEW BUSINESS**

#### ***Retirement Board: Approval of Agreement with Julius Baer Investment Management***

Mr. Tesei said that the Town has had an agreement with Julius Baer Investment Management for some time. The Retirement Board has brought this new agreement before the BET for approval. Michael Pagliaro, Retirement Board Chairman, James Lavin, Retirement Plan Administrator, and representatives from New England Pension Consultants were present to answer questions.

Mr. Mynarski presented this new agreement to the Board for its approval. He said that the Law Department and the BET Law Committee have reviewed this agreement. He said that the advantages of this new agreement are that it offers more flexibility in cash availability and

allows the town to take advantage of its tax-exempt status, thereby resulting in savings in foreign taxes.

Upon a motion by Mr. Simon, seconded by Mr. Stone, the Board voted 12-0-0 to approve the agreement with Julius Baer Investment Management.

Acceptance of Assessor and Comptroller Evaluations

Mr. Tesei thanked everyone for providing input into the job evaluation process.

Both the Comptroller and the Assessor received exemplary performance ratings and are entitled to a step increase.

Upon a motion by Mr. Simon, seconded by Mr. Walko, the Board voted 12-0-0 to take up discussion of the Resolutions concerning the Comptroller's and the Assessor's salary increases.

The Assessor will be at Grade 7, Step 9 with a salary of \$116,843, effective January 1, 2007.

The Comptroller will be at Grade 11, Step 7 with a salary of \$145,620, effective January 1, 2007.

In addition, on July 1, 2007, each of these employees will be eligible for the 3.25% general wage increase given to all M/C employees.

Upon a motion by Mr. Simon, seconded by Mr. Walko, the Board voted 12-0-0 to approve the salary increases for the Comptroller and the Assessor.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 12-0-0 to take up the acceptance of The Retirement System of the Town of Greenwich Actuarial Evaluation Report from EFI Actuaries, Inc.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 12-0-0 to approve The Retirement System of the Town of Greenwich Actuarial Evaluation Report as of July 1, 2006 by EFI Actuaries, Inc., dated December 12, 2006 and presented at the BET Budget Committee meeting held on February 13, 2007.

Update on the Retirement System-Michael Pagliaro, Retirement Board Chairman and Molly Auth, NEPC

Mr. Pagliaro said a presentation was planned to offer an update on the financial progress that has been made over the last several years.

Ms. Molly Auth gave a report on the performance of the Retirement Assets. NEPC has been retained for just over four years.

The actuarial assumption used for the retirement assets is 8.5%. The result through the calendar year 2006 was a +12% for the assets of the portfolio. For the last three years the return has averaged over 10%.

Ms. Auth said that just over three years ago there was a significant change in the management of the Retirement Fund assets when management was moved from Frank Russell. At that time, the retirement plan had approximately \$270 million in assets and has since withdrawn almost \$50 million. As of the end of 2006, assets are just over \$333 million.

In the three years since Frank Russell was terminated, there has been \$3 million to \$6 million added, or \$1 million to \$2 million to the total retirement assets. This is net of all fees, including all performance and managers.

Mr. Tesei asked what NEPC's annual fee was. Ms. Auth responded that the fee is \$100,000 per year.

Mr. Simon asked if NEPC had any other clients who utilized a blend of index funds and active management portfolio, and also the success of that approach.

Ms. Auth said that other NEPC clients do this, and prior to last month there were all active managers in the TOG program. A presentation is planned for the Retirement Board highlighting the pros and cons of active vs. passive management.

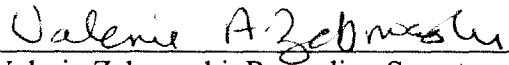
Ms. Auth said that in efficient asset classes like large cap equity, it is difficult for active managers to outperform their indices over time. For other less efficient asset classes, small cap equity, international equity, global bonds, high yield bonds, active management can add value over time.


Mr. Himes asked what type of advice Ms. Auth might offer as to reviewing performance of under performing managers. Ms. Auth responded that the Retirement Board is working on either adopting or referring to a written process. NEPC has an internal process. Ms. Auth said there are five different levels, from performance review to termination. Managers that are under performing or have a change or incident causing discomfort on the part of NEPC will be flagged. There is no specific performance trigger.

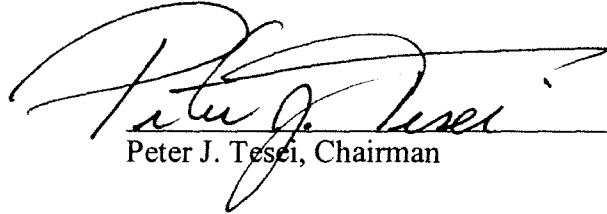
## **ADJOURNMENT**

Upon a motion by Mr. Norton, seconded by Mr. Finger, the Board voted 12-0-0 to adjourn at 7:15 P.M.

Respectfully submitted,

  
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Valerie Zebrowski, Recording Secretary

  
\_\_\_\_\_  
Alma Rutgers, Clerk of the Board

  
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Peter J. Tesi, Chairman