



**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION**

DEBT & FUND BALANCE POLICY WORKING GROUP MEETING MINUTES

Wednesday, December 2, 2020

Virtual Webinar

Present

Committee: Andreas Duus, Chair; William Drake, Leslie Moriarty, David Weisbrod

Staff: Roland Gieger, Director, Budget & Systems Management, Finance Department;
Peter Mynarski, Comptroller

BET: Laura Erickson, Miriam Kreuzer, Leslie L. Tarkington

RTM: Hector Arzeno, (D-8), Finance Committee

Guest: William Lindsay, Hilltop Securities, LLC

The meeting was called to order at 2:02 P.M.

1. Acceptance of the BET Debt & Fund Balance Policy Working Group Meeting Minutes

Upon a motion by Mr. Drake, seconded by Ms. Moriarty, to accept the Minutes of the BET Debt & Fund Balance Policy Working Group Meeting of November 5, 2020. The Group voted 4-0-0 as amended for scrivener's error. Motion carried.

Upon a motion by Mr. Drake, seconded by Mr. Duus, to acceptance the Minutes of the November 19, 2020 Meeting, as amended, the BET Debt & Fund Balance Policy Working Group voted 4-0-0. Motion carried.

2. Further Discussion of Fund Balance Policy

The Working Group reviewed the draft of the Fund Balance Policy revised at the November 19 meeting. After additional discussion, the Working Group agreed that the text accurately reflected the issues agreed to at the previous meeting. The Working Group reaffirmed their preference of the previous draft without any new changes or additions.

Upon a motion by Ms. Moriarty, seconded by Mr. Weisbrod, to approve the Fund Balance Policy. The Working Group voted 4-0-0. Motion carried.

3. Further Discussion of Debt Policy

The Working Group reviewed the proposed changes to the Debt Policy circulated by the Chair. It was decided to focus on the capital model to see the impact of various assumptions, including the capital budget, the Capital Tax Levy, and the grand list. A member of the Committee stressed the need to differentiate Maintenance Capital from Capital Projects to understand the budget stress points in the 15-year Model.

The Model illustrated the sensitivities of the three policy guidelines to changes in capital spending, the rates of growth of the Capital Tax Levy, operating costs and the Grand List.

The Chair noted that generally debt service cannot be funded with the proceeds of debt borrowing, without threatening the federal tax exemption for the investor. Therefore, it will be critical to make sure that tax continue to fund some small portion of capital spending. Another expressed concern that it remains essential to resist temptation to reduce maintenance capital spending.

The Group proposed grammatical adjustment of the final draft of the text before the next meeting.

Chair Remarks

Mr. Duus will prepare a draft of the Working Group report to the BET regarding the challenges faced preparing the model's numbers in the environment of uncertainty going forward; further clarifications of the capital and maintenance projects; and questioning the inflation rate assumptions.

4. Adjournment

Upon a motion by Ms. Moriarty, seconded by Mr. Weisbrod, the Working Group voted 4-0-0 to adjourn the meeting at 3:52 P.M. Motion carried.



Catherine Sidor, Recording Secretary



Andreas Duus, Working Group Chair

Next Scheduled Meeting of 2020 Debt and Fund Balance Policy Working Group

December 9, 2020 (Wednesday) 9:00 A.M. – 11:00 A.M.