

**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
BUDGET COMMITTEE MEETING**

Cone Meeting Room
MINUTES – Tuesday, January 9, 2018

Committee

Present: Leslie Moriarty, Chair; Michael Mason, Jeffrey S. Ramer, Leslie L. Tarkington

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director

Board: Andy Duus, Debra Hess, Elizabeth K. Krumeich, Jill Oberlander

BOE: Barbara O'Neill, Member, BOE

The meeting was called to order at 5:06 P.M.

Ms. Moriarty welcomed Committee members and attendees. She proposed to add an Agenda item in order that Mr. Mynarski could inform the Committee about recent Rating Agency meetings as a topic under **New Business**.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0-0 to add the item to the meeting Agenda.

Requests for Budget Adjustment

ROUTINE APPLICATIONS

ED-7	BOE	Transfer
\$13,400	A620 51497	Professional & other special services

Ms. Moriarty commented that the documentation for the transfer was in the meeting packet with additional information supplied by Ms. O'Donnell, BOE Chief Operating Officer, making BOE attendance unnecessary. The transfer was to BOE's 100s line item for onsite consulting training delivery from the 200s line items for participation in training at an offsite location. No further action would be required by the BET on the internal transfer.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Committee voted 4-0 to approve the transfer of \$13,400 for Professional Development training.

Old Business

None

New Business

Report of Rating Agency Discussions – Due to the recent snow storm closure of Town Hall, Mr. Mynarski informed the Committee that the meetings went on as scheduled but had taken place by telephone. The first conversation was with Moody's Rating Agency from 9:00 A.M. – 10:20 A.M. Only a few questions were asked subsequent to the presentation; the second

conversation with S&P Rating Agency lasted approximately 90 minutes. As background information for new Committee members, Mr. Mynarski explained that until two years ago, TOG had subscribed to three rating agency reviews but Fitch Rating Agency had been dropped as a regular reviewer and will now only be asked to perform “due diligence” periodically. The TOG AAA rating was approved by both agencies based on the assessment of: 1) the economy; 2) strong management financial policies and practices; 3) strong budgetary performance; 4) strong budgetary flexibility; 5) strong liquidity; 6) strong debt and contingent liability position; and, 7) a strong institutional framework score.

Additionally, Mr. Mynarski remarked that Mr. Lindsay, C.I.P.F.A., Director of the Independent Bond & Investment Consultants LLC, participated in a conversation with Ms. Nora Wittstruck of S&P to respond to a reference concerning a relatively small fund balance in comparison to other small towns. Moody’s made a reference that 49.1% is the median fund balance nationally for AAA government entities. Mr. Lindsay clarified the rationale that many small towns need large fund balances for emergencies whereas Greenwich’s revenues were based on a more stable source of income. No negative comments resulted.

Mr. Mynarski pointed out the recent review of BET Fund Balance Policy resulted in a small change to the policy moving the target from 5%-10% to 5%-11% of the General Fund budgeted expenditures. The Town’s Fund Balance, which includes the General Fund, the Capital and Non-Recurring Fund, and the Risk Fund increased by \$11.2 million for the fiscal year ending June 30, 2017, resulting in an increase in the fund balance ratio to 10.81%. He commented further that TOG differentiates itself from neighboring towns with the use of Fund Balance when creating the Town’s budget since TOG budgets for 100% for all employee positions although the Town experiences vacancies in about 40 positions each month saving \$6-8 million. The Fund Balance allows the Town to deal with unanticipated impacts to revenues or expenses, like last year’s discussions at the State level regarding teacher pension expense or revenue shortfalls from the State.

Mr. Mynarski advised the Committee that he would be going to “market” later this week to issue \$40 million of bonds with 5 year maturities and \$65 million of one-year Bond Anticipation Notes (BANS).

Review of schedule for February Budget Committee Meetings – Ms. Moriarty identified the budget process will start on January 29, 2018 with the presentation of the proposed budget by the First Selectman and the Board of Education, which will be followed by a public hearing that night. Ms. Moriarty also reviewed the calendar for the February budget meetings. Mr. Ramer suggested an additional meeting be scheduled in case more meeting dates are needed.

Acceptance of BET Budget Committee Meeting Minutes

Ms. Tarkington made a motion to approve the BET Budget Committee Meeting Minutes of December 11, 2018, seconded by Mr. Ramer. The Committee voted 3-0-1 to approve the motion. (Abstain: Mason)

Adjournment

Mr. Ramer moved to adjourn the Meeting, seconded by Ms. Tarkington. The Committee voted 4-0 to adjourn the meeting at 5:35 P.M.

Next regular meeting will be February 13, 2018 at 5:00 P.M. in the Cone Room.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Leslie Moriarty, Chair

SUBJECT TO APPROVAL