



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Wednesday, July 6, 2016 in the Cone Room, Town Hall, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 7:15 P.M., after which the members pledged allegiance to the flag. Immediately following the Pledge of Allegiance, prior to the Meeting, Mr. Mason noted that a Special BET Meeting might be necessary at the end of July as well as an additional one in early September.

Board members in attendance:

Michael S. Mason, Chairman
Arthur D. Norton, Vice Chairman
William Drake, Clerk
John Blankley
Mary Lee A. Kiernan
Elizabeth K. Krumeich
James A. Lash
Leslie Moriarty
Jill K. Oberlander
Jeffrey S. Ramer
Leslie L. Tarkington
Nancy Weissler

SUBJECT TO APPROVAL

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ben Branyan, Town Administrator

Other: Ken Borsuk, Reporter, *Greenwich Time*

ASSESSOR'S REPORT

The Board reviewed a written Assessor's Report; Ms. Elliot was not present as the BET Agenda stated that the Assessor's Report would be "as submitted".

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

COMPTROLLER'S REPORT

Mr. Mynarski noted highlights from his written Report including: a revision of Assistant Treasurer responsibilities that would include preparation of meeting materials for the monthly OPEB Board Meeting; BET attendees (Mason, Blankley, Norton, Oberlander) who would be participating in the second interview of candidates for the Internal Auditor position which is not subject to the First Selectman's hiring freeze because it was already in process; the extension of Ovation's contract as the current healthcare insurance provider through December 2016 to coincide with traditional Healthcare Benefit providers' calendar year schedules; changes in contracts being

reviewed by the Risk Management Department; and the Town's cash position as \$25.8 million higher than 2015, a favorable development. Ms. Oberlander asked why the Retirement Board approved a 3% Interest Rate on members' Annuity Account balances; Mr. Mynarski explained that the rate had been approved as of July 1, 2015, payable from July 1, 2016 to June 30, 2017.

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

Acceptance of the Treasurer's Report Showing Investment Portfolio Activity for June 2016

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

Standing Committee Reports

The Investment Advisory Committee report topics are to be considered under **Old Business**.

NEW BUSINESS

- **Discussion and Approval of M&C Salaries Resolution** – Ms. Weissler reviewed the FY2017 M&C Compensation Plan that provided for: a 1.5% increase for satisfactory performance, an extra 0.5% for excellent performance, and an extra 0.5% (for a total of 2.5%) for exceptional performance. She noted that the recommended M&C salary increases for fiscal 2017 break down as follows for the 54 employees eligible for an increase: 4% to receive no increase; 2% to receive the 1.5% increase; 9% to receive the 2.0% increase; and 85% to receive the 2.5% increase. Ms. Weissler noted that this breakdown is comparable to last year and that the weighted average increase was 2.3%. Ms. Weissler noted that the HR Committee voted 4-0 to recommend the proposed M&C salaries to the BET. She noted that the HR Committee reviewed the following factors: 1) the recommended salaries are consistent with the M&C Compensation Plan which the Committee approved earlier in the year; 2) the weighted average 2.3% increase was lower than most union settlements; and 3) there have been some compression issues between union and M&C positions. However, the Committee also noted FY2018 guidelines may very well be tighter than FY2017 guidelines. Ms. Weissler offered the following resolution:

Resolution: Resolved that the Board of Estimate and Taxation accepts the recommendation of the HR Committee to approve the recommended M&C salaries for fiscal 2017.

Ms. Kiernan reviewed the generous compensation package of both salary and benefits that attracted and retained top quality M&C employees for the Town, and contributed to the favorable leadership and performance of the Town M&C staff. She asked fellow BET members to consider that the Greenwich M&C salary compensation was above the 75th percentile of other towns, before including benefits. She noted that the proposed salary increases were 3.5 times greater than the rate of inflation of .7% in this region, and pointed out that the Selectmens' salary increases were held at 2%, consistent with recent budget guidelines. She noted that when the BET sets M&C salaries, the BET creates an important comparable standard for collective bargaining negotiations. Ms. Kiernan also indicated that she disagreed with the reasoning that M&C employees should get a 2.5% increase because 2.5% was the increase that was available in the budget and 2.5% was the increase M&C

employees were expecting. Mr. Mason noted that inflation is modest at present, and that the recommendation is affordable considering the healthcare benefit savings accruing from the migration of Greenwich teachers to the State health benefit plan. Ms. Weissler commented that given the challenging economic environment the Town is facing that it is important that M&C employees are motivated and focused on achieving efficiencies. She noted that M&C support is critical to the success of the Lean Six Sigma program, which is underway and which is focused on improving operations. Ms. Tarkington added that BOE cabinet members were missing from the M&C Compensation Plan recommendations, and all M&C employees should be evaluated and compensated consistently.

Upon a motion by Ms. Weissler, seconded by Ms. Moriarty, the Board voted 10-1-1 to approve the Resolution. (Opposed: Kiernan; Abstain: Blankley)

- **Discussion of Budget Guidelines** – Mr. Mason remarked that now that information was available from the Retirement Board and the resolution was in place for M&C salaries, he proposed that BET members meet with RTM District Chairs and the RTM Moderator, Tom Byrne, with the objective of cooperating in the development of the budget. Ms. Kiernan reminded the BET that the first consideration of the Budget Guidelines was scheduled for September by the Budget Committee, with a final vote in October.

- **Review and Approval of Retirement Board Investment Agreement – State Street Global Markets LLC** – Mr. Drake commented that the Investment Advisory Committee had voted 4-0 to approve the financial aspects of this Agreement, and that Law Committee had postponed review as legal opinions from Mr. Fox and Mr. Smoot were being sought. Mr. Mason asked for a timeline on these approvals. Mr. Mynarski added that an RFP was being developed to identify a Registered Investment Advisor for the Retirement Board. This RFP would be discussed at the July 28th Retirement Board meeting.

Upon a motion by Mr. Mason, seconded by Ms. Tarkington, the Board voted 12-0-0 to postpone a vote on the Retirement Board Investment Agreement with State Street Global Markets LLC until a subsequent BET Meeting.

OLD BUSINESS

- **Review and Approval of proposed BET Procedure for Review of Retirement Board Investment Agreements** - Mr. Mason noted that the BET Procedure for Review of the Retirement Board's Investments is intended to provide a useful clarification of the Retirement Board and BET's respective roles. He further noted that an improvement of the pension fund rate of return was in the general interest. Mr. Drake noted that the BET Procedure has benefitted from helpful suggestions by several BET members, the Retirement Board and Mr. Gene McLaughlin, and that the only remaining matter was successful coordination with the Retirement Board's investments in ETFs through the State Street Agreement previously discussed. He therefore recommended postponing a decision on approving the BET Procedure until the State Street arrangements were considered by attorneys Fox and Smoot and the Law Committee.

Upon a motion by Mr. Ramer, seconded by Mr. Drake, the Board voted 12-0-0 to postpone the vote on the BET Procedure for Approval of the Retirement Board Investments pending reviews by the attorneys and the

Law Committee.

- **OPEB Trust Board Re-nomination** – Mr. Drake reported that the Investment Advisory Committee had voted 4-0 to approve the re-appointment of Mr. Robert Stricker to the OPEB Board and recommended that the BET approve the appointment.

Upon a motion by Mr. Drake, seconded by Mr. Ramer, the BET voted 12-0-0 to approve the re-appointment of Mr. Robert Stricker to the OPEB Trust Board.

Mr. Drake described Mr. Stricker's credentials and experience and reported that the Investment Advisory Committee had voted 4-0 to re-appoint him as Chairman of the OPEB Board for one year ending June 30, 2017. He recommended that the BET approve this re-nomination as Chairman.

Upon a motion by Mr. Drake, seconded by Mr. Ramer, the BET voted 12-0-0 to approve the re-nomination of Mr. Robert Stricker as Chairman of the OPEB Board for a term of one year ending June 30, 2017.

Approval of the BET Meeting Minutes

Approval of the BET Meeting Minutes of the Regular BET Meeting of June 6, 2016

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the Minutes of June 6, 2016 Regular Monthly Meeting.

CHAIRMAN'S REPORT

Mr. Mason asked Mr. Drake and Mr. Norton if they had any comments to make before the close of the meeting. Mr. Norton commented that he, Ms. Tarkington, Mr. Blankley, Mr. Lash and Ms. Kiernan had attended a dinner event recognizing David Ormsby's contribution on his retiring as Chairman of The Nathaniel Witherell Board of Directors which raised a substantial contribution to the TNW Patient Trust Fund.

Mr. Mason thanked members of the BET for changing their schedules to accommodate moving the BET's July meeting forward to July 6, 2016.

ADJOURNMENT

Upon a motion by Ms. Oberlander, seconded by Ms. Krumeich, the Board voted 12-0-0 to adjourn at 8:39 P.M.

The next Regular Meeting of the BET is scheduled on Monday, September 19, 2016 at 5:30 P.M. in the Town Hall Meeting Room.

Respectfully submitted,

Catherine Sidor, Recording Secretary

William Drake, Clerk of the Board

Michael S. Mason, Chairman

SUBJECT TO APPROVAL