



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Thursday, December 14, 2017 in the Town Hall Meeting Room, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:35 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

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

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ben Branyan, Town Administrator; Lauren Elliot, Assessor; Capt. Mark Kordick, Police Department; Robert Kick, Assistant Fire Chief, Fire Department; Alan Monelli, Superintendent, Building Construction & Maintenance; Howard Richman, 2018 Tax Collector

Selectman: Peter Tesei, First Selectman; Sandy Litvack, Selectman

BET 2018: Andy Duus, David Weisbrod, Debra Hess

Public: William Finger, Mary Lee Kiernan

Mr. Mason welcomed BET members, 2018 elected BET members and attendees.

Presentation of Proclamations

First Selectman Tesei expressed his thanks and gratitude to retiring BET members, recognizing the end of their Board of Estimate and Taxation elected terms. He paid tribute to their voluntary service to municipal government, their commitment to its many nonprofit organizations and civic leadership.

Nancy Weissler – Retiring member of the BET; December 21, 2017 proclaimed Nancy Weissler Day in her honor by Town Proclamation. Additional remarks made in tribute by Ms. Moriarty.

Mary Lee Kiernan – Retiring member of the BET; December 15, 2017 proclaimed Mary Lee Kiernan Day in her honor by Town Proclamation. Additional remarks made in tribute by Ms. Tarkington.

John Blankley – Retiring member of the BET; Thursday, December 14, 2017 proclaimed John Blankley Day in his honor by Town Proclamation. Additional remarks made in tribute by Mr. Mason.

Arthur Norton – Retiring member of the BET; December 20, 2017 proclaimed Arthur Norton Day in his honor by Town Proclamation. Additional remarks made in tribute by Ms. Oberlander.

James Lash – Retiring member of the BET; December 19, 2017 proclaimed James A. Lash Day in his honor by Town Proclamation. Additional remarks made in tribute by Mr. Ramer.

Mr. Mason thanked Mr. Tesei for his recognition of retiring BET members and then asked Mr. Drake to read the Routine requests for budget adjustments.

Requests for Budget Adjustments

ROUTINE APPLICATIONS

GM-1	GEMS	Release of Conditions
\$2,166,900	A440 57225	Contribution to GEMS

Upon a motion by Mr. Drake to approve the Release of Conditions, the Board voted 12-0-0 to approve the request.

NON-ROUTINE APPLICATIONS

SE-8	First Selectman	Settlement
\$200,000	345 59560	Byram Fire Station Rehabilitation

Mr. Lash reported that the Budget Committee had voted 4-0 to approve the application, agreeing that the work needs to be done, and that an opportunity had been lost to include some GEMS tenancy. Mr. Mason and Ms. Oberlander, as liaisons to the Public Safety departments, had discussed the management and operations decision collectively with the departments. Mr. Ramer expressed a measure of disappointment that a more efficient and less expensive solution could not be achieved with some compromises. Ms. Tarkington cautioned that the Budget Committee would scrutinize the construction cost to renovate the Byram Fire Station during February's Budget Hearings.

Upon a motion by Mr. Drake to approve the Release of Conditions, the Board voted 12-0-0 to approve the request.

ASSESSOR'S REPORT

Ms. Elliot reported that the supplemental Motor Vehicle bills totaling \$143 million, with a tax value to the Town of \$1,632,000, would be sent out in January. Commenting on Real Estate bills, Mrs. Elliot remarked that that billing was being sent out early so that residents, who wish to take advantage of the tax deductibility prior to 2018 tax changes, could take advantage of a tax

deduction. Referring to Settlements of Appeals, she noted three of 2015's cases had been withdrawn and one of 2016's cases had been settled. Three additional Appeals were scheduled and the results would be reported in January.

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 asked if members of the Board had any questions with regard to his monthly report. Mr. Norton asked who would be appointed to the Cash Management Task Force and what would be the scope of its work. Mr. Mynarski responded that the Task Force consisted of the First Selectman, Ms. Pepe, Mr. Branyan and himself and that the scope of the study to be performed would initially be defining each point of the Town's cash and credit card collection, review of the fees associated with the transactions and sales, the establishment of an inventory to prevent loss of TOG small equipment, defining a threshold for gifts and other relevant matters. The goal would be to develop enforceable policy and procedures. Ms. Weissler asked if outside assistance might be needed, to which Mr. Mynarski responded that would be considered where an improvement would result.

The Board asked for an explanation of the lateness of completing the 2017 Audit and the Management Letter's six comments. Mr. Mynarski responded that the 2017 Audit delay came from the new team of auditors' inexperience and lack of exposure to municipal financial practices and its Management Letter comments did not reflect issues with internal controls but rather documented process improvements that the Department agreed to implement. Mr. Lash expressed disappointment at the poorly planned testing to build the CAFR, to which Mr. Mynarski noted that turnover of the previous on-site audit team and supervising partner created unforeseen issues.

Upon a motion by Mr. Ramer, 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 September 2017

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

BET Standing Committee Reports

Mr. Mason noted that a Special Meeting of the Audit Committee would take place on Wednesday, December 20th.

BET Liaison Reports

None.

BET Special Project Team Report

None

New Business

- **Approval of the Comprehensive Annual Financial Report (CAFR) Fiscal Year 2017**

Mr. Norton asked that a Quorum of BET members, on behalf of the BET, be present at the upcoming Audit Committee meeting to hear and contribute to the Committee's discussion of the 2017 TOG Audit, the Federal Single and State Single Audits, and the Management Letter for the Year Ending June 30, 2017.

- **Approval of Federal Single and State Single Audits**

- **Approval of Management Letter for the Year Ending June 30, 2017**

Mr. Mason, referring to the need to meet the applicable statutory requirements, and despite his preference not to deviate from the traditional procedure, asked that in light of the approaching holidays and members' travel schedules, a minimum of 7 BET members attend the Audit Committee meeting on behalf of the BET.

Mr. Mason made a motion to authorize the Audit Committee at its scheduled subsequent meeting(s) to approve the CAFR, two Audits and the Management Letter. The Board voted 12-0-0 in favor of the motion.

Old Business

- **Approval of Finance Department FY18-1 Budget and Operations Plan**

- **Approval of the Assessor's Office FY18-19 Budget and Operations Plan**

Mr. Mason made a motion to combine the approval of the FY18-19 Budget and Operations Plans of the Finance Department and the Assessor's Office. The Board voted 12-0-0 to approve the motion.

- **The Nathaniel Witherell Special Project Team Report Update**

Mr. Norton commented that the final meeting of TNW project team would take place on Tuesday, December 19th, to review the 100 pages of the yearlong study and discuss the options offered. He noted that inherent difficulties of operating a supply/service business such as TNW within a demand-driven organization such as our Town government. He remarked that the next tasks will involve strategic planning for alternatives.

- **Discussion of the RTM BOC Memorandum**

Mr. Lash summarized the BOC recommendations addressed to the BET. Some items presented in their July Memorandum had been eliminated and others were similar enough so that the December Memorandum now presented essentially the same guidelines as the BET's.

- **Approval of the BET Debt Policy**

The discussion began with a review of Mr. Norton's postponed motion that the Town not have a Debt Policy. Ms. Weissler cited the advice of IBIC, Independent Bond & Investment Consultants, that in light of the poor state budget situation and the related repeated downgrades by rating agencies, that taking the step to eliminate a debt policy would weaken the Town's credit profile.

Upon a motion by Mr. Mason, the Board voted 0-12-0 to not adopt Mr. Norton's outstanding postponed Motion to eliminate the Debt Policy.

Ms. Weissler moved that the Board now adopt a Debt and Fund Balance Policy as approved by the BET Debt and Fund Balance Working Group. Mr. Turner expressed concern that it was unwise to change the Debt Policy at this time because of the uncertainties related to the State budget, the Federal Tax Bill, and TOG's internal issues of the BOE's Capital Plan and the Debt Policy's recommendation of a debt cap.

Mr. Turner made a motion to postpone changes in the Debt Policy until after the mill rate is set for FY18-19, seconded by Ms. Oberlander. During the discussion of the Motion that followed, Mr. Lash responded to Mr. Turner's concerns with examples of TOG's previous successful experience under greater uncertainties and said there was no reason to postpone action at this time.

Upon a motion by Mr. Turner to postpone adoption of a Debt Policy, seconded by Ms. Oberlander, the Board voted 4-8-0. Motion failed. (Opposed: Drake, Lash, Norton, Mason, Tarkington, Weissler, Krumeich, and Moriarty).

Ms. Weissler made a motion to consider Amendment 1, adding the following language under C. Affordability targets after the word parameters: "In a given year, the Town shall finance with cash generated from the capital tax levy a minimum of 10% of its capital projects appropriated in that year net of expected related reimbursements."

Ms. Weissler's motion was seconded by Mr. Drake. The Board voted 7-6-0 in favor of the Motion. (Opposed: Blankley, Krumeich, Moriarty, Oberlander, Ramer, Turner).

Mr. Ramer made a motion to consider Amendment 2, seconded by Ms. Moriarty expressing opposition to a static cap of \$245 million replacing it with "...net debt of no more than 0.60% of the most recent Net Grand List of the Town of Greenwich certified by TOG's Tax Assessor's Office. Ms. Moriarty and Mr. Ramer supported this percentage criteria rather than a static criteria. Ms. Tarkington advised that with the 2020 Revaluation the Grand List could decline due to lower demand for highly valued properties in the back country and reduced demand for commercial properties particularly central Greenwich retail with a current high vacancy rate, and therefore, the proposed Amendment could result in a reduced Town debt ceiling making it more difficult for financial planning purposes.

Upon a motion by Mr. Ramer establishing net debt as 0.60% rather than a static number, seconded by Ms. Moriarty, the Board voted 6-6-0. Motion failed. (Opposed: Drake, Mason, Norton, Tarkington, Weissler, Turner).

Mr. Drake then made a motion, seconded by Ms. Weissler, to adopt a percentage criteria set at no more than 0.55%. The motion, of the Affordability parameter, was as follows: "Maintain a maximum Town of Greenwich net debt of no more than 0.55% of the most recent Grand List (full market value) of the Town of Greenwich as certified by the Tax Assessor of the Town of Greenwich." This 0.55% was calculated to be equivalent to \$255 million based on the October 1, 2016 Grand List. The

Board voted 9-3-0 to in favor of this compromise language. (Opposed: Blankley, Turner, Ramer).

Mr. Drake made a motion, seconded by Ms. Weissler to consider Amendment 3, modifying "...preferred financing model historically has been" and substituting "preferred financing policy is...", so that the Policy related to the future, rather than the past. The Board voted 3-9-0. Motion failed. (Opposed: Blankley, Lash, Krumeich, Tarkington, Moriarty, Oberlander, Ramer, Turner, Weissler).

Ms. Moriarty made a motion, seconded by Mr. Ramer, to consider Amendment 4, to allow amortization of debt over 20 years for remediation projects. The Board voted 6-6-0. Motion failed. (Opposed: Drake, Mason, Norton, Tarkington, Turner, Weissler).

Upon a motion by Ms. Weissler, to accept the Debt Policy as amended, the Board voted 10-2-0. (Opposed: Norton, Turner)

Approval of the BET Meeting Minutes

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 11-0-1 to approve the Minutes of the BET Regular Meeting of November 20, 2017. (Abstain: Mr. Norton)

Chairman's Report

Mr. Mason asked Mr. Drake and Mr. Norton for their comments. Mr. Norton expressed his thanks for the many responsibilities he has executed, including Vice Chair of the Board, and for the opportunity to share decision-making with colleagues on the Board for so many years.

Mr. Mason reminded the Board of several meetings which would be taking place in the following week. He thanked the Board and incoming BET members for the successful Orientation meeting. Additionally, he congratulated the BET for the best attendance during the Budget Hearings and looked forward to continuing the record attendance in 2018 Hearings.

Adjournment

Upon a motion by Ms. Krumeich, seconded by Mr. Turner, the Board voted 12-0-0 to adjourn at 9:18 P.M.

The BET Organization Meeting is scheduled on Monday, January 8, 2018 at 5:00 P.M. in the Town Hall Meeting Room.

The next Regular Meeting of the BET is on Wednesday, January 17, 2018 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