

MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, July 18, 2005 in the Town Hall Meeting Room, Greenwich, CT.

The chairman, Peter J. Tesei, called the meeting to order at 7:01 p.m., after which the members of the Board pledged allegiance to the flag.

Board members in attendance:

Peter J. Tesei, Chairman
Robert S. Stone, Vice Chairman (arrived 7:23 p.m.)
Alma Rutgers, Clerk
Peter E. Berg
Jara Burnett
Janice C. Gardner
Kathryn Guimard
Edward Krumeich (arrived 7:12 p.m.)
Michael Mason
Laurence B. Simon
Valeria P. Storms
Stephen G. Walko

Ex-Officio Board members: Selectman Peter Crumbine

Staff: Peter Mynarski, Roland Gieger, Finance Department; Ed Gomeau, Town Administrator; Maureen Kast, Sherry Kreiger, Department of Human Resources; Ted Gwartney, Bob Shipman, Assessor's Office

Other: Leslie Tarkington, The Nathaniel Witherell Board

CONSIDERATION OF APPLICATIONS

There were no routine or regular applications to be considered.

HUMAN RESOURCES COMMITTEE ACTIONS AND REPORT – APPROVAL OF EMPLOYEE HEALTH CARE BUDGET STATUS REPORT

Maureen Kast, Director of Human Resources, reviewed the Employee Health Care Budget Status Report as distributed to Board members via e-mail. Ms. Kast said that this was the last report for FY 2004-2005. It includes enrollment through June 30, 2005. Ms. Kast said that we came out under budget on our active employees and slightly over budget for OPEB. Ms. Kast pointed out, however, that this was the first year that OPEB charges were separated from the charges for active employees, and that this was the first time we have been able to specifically look at the OPEB budget. She said that, given the fact that we came within \$50,000 of the projected budget, we have done well overall and that we should be closer to the target next year.

Upon a motion by Mr. Simon, seconded by Ms. Burnett, the Board voted 10-0-0 to accept the Employee Health Care Budget Status Report as submitted (Messrs. Krumeich and Stone had not yet arrived).

ASSESSOR'S REPORT

Ted Gwartney, the Assessor, highlighted his monthly written report.

Mr. Gwartney reported that one of his staff members, Ken Kolok, has retired and that his replacement has been hired and is currently in training.

Mr. Gwartney said that a news release has been prepared since the last BET meeting. After much discussion with various people around town, Mr. Gwartney decided to split the press releases into a series of five articles that would relate to different issues. These are currently being worked on, with plans to distribute them at appropriate periods. A TV show on the local station is planned for mid August.

There were eight Superior Court cases filed from the 2001 Grand List that have been withdrawn. This improves the statistics as the number of cases is coming down. Several more cases will be dealt with over the summer and fall.

Progress is being made on the revaluation. The residential modeling has been completed and a modeler is now entering the data into the Pro Val system.

A coin-operated printer, hooked to a computer, is being installed. This will allow members of the public to print out their own field cards in the future. This improvement will reduce staff time.

Mr. Gwartney made a presentation to the Byram Neighborhood Association on July 13, 2005. Mr. Walko, Mr. Tesei and Mr. Gomeau were in attendance. Mr. Gwartney included his notes from the presentation with his monthly written report.

Following his presentation, Mr. Gwartney entertained questions from Board members.

Ms. Burnett inquired about the problems with MUNIS that are reported by Mr. Gwartney every month. Mr. Gwartney replied that the town gets some response from MUNIS but that each year the same problems reappear, or new problems arise. Mr. Gwartney said that at least they are listening to us and working on it. He hopes that someday it will be as good as it should be. One of the problems is that because MUNIS has only a few customers in Connecticut, they have not been giving enough attention to this. Hartford is talking about going with MUNIS. With more customers in Connecticut, they may give more attention to us.

Mr. Berg inquired as to how many people attended the meeting of the Byram Neighborhood Association. Mr. Gwartney estimated that about 90 people were in

attendance. In response to a question from Mr. Berg regarding additional funding to be requested for the auditing of personal property tax for 60 additional businesses, Mr. Gwartney said that this proposal was in the drafting stage and would come to the BET in September. The average return on such audits has been six times the cost. In response to a further question from Mr. Berg regarding the discovery of new businesses, Mr. Gwartney said that there are half a dozen methods for finding new businesses. While businesses are required by law to declare all assets every year to the Assessor's Office, many new businesses are not aware of the requirements and, therefore, a discovery process is needed.

Mr. Simon said that the most interesting part of the Assessor's Report was the information on the model in which 60% of the total value of property in Greenwich is land and 40% are improvements.

Upon a motion by Ms. Gardner, seconded by Mr. Berg, the Board voted 11-0-0 to accept the Assessor's Report as submitted (Mr. Stone had not yet arrived).

COMMITTEE AND LIAISON REPORTS

Ad Hoc Committee on OPEB Fund:

Mr. Walko, Chairman of the committee, reported that the committee met twice since the last BET meeting – on June 27 and July 7 – and anticipates another meeting on September 7.

The committee has broken its charge into four topics: 1) Policy, 2) Governance, 3) Data, and 4) Investment.

There is a lot of work to do. The Comptroller will be coming back to the committee with recommendations from Finance and the Town Administrator will be working with the Human Resources Department to bring forward proposals to be discussed at the meeting on September 7. The goal is to be able to make a presentation to the Budget Committee in October.

Law Committee:

Mr. Krumeich reported for the Law Committee.

The Law Committee met with Town Attorney John Wetmore. Mike Mason was also in attendance. Pending claims were discussed, including the claim that is on tonight's agenda under "New Business." There was a general discussion about the relationship between state law, home rule and the Charter with respect to budgeting and use of committed funds by the Board of Education. The committee voted 2-0 to state that the proposed Human Resources Committee Rules, as amended by the Town Attorney's

suggested revisions, would be in legal order, but that the Human Resources Rules should go back to the Human Resources Committee because it is time for a review by the Human Resources Committee and by the full BET of what the Board wants the Human Resources Committee to do given the changes over the past year. The Law Committee also approved previous minutes.

Mr. Walko added that the Law Committee briefly discussed the issue of contracts with the Retirement Fund money managers and that it was the opinion of the Law Committee, verified by the Town Attorney, that the BET would retain oversight over those contracts. It is expected that those contracts will come to the BET in the fall.

Audit Committee:

Mr. Tesei reported for Mr. Stone, Chairman of the Audit Committee. Mr. Stone had not yet arrived at the meeting.

Mr. Tesei said that the Audit Committee met on July 7, 2005. The primary discussion was a review of the internal audit of the Building Inspection Division and Assessor's Office. The audit was very productive. The internal auditor is working with those departments to improve the practices.

COMPTROLLER'S REPORT

Mr. Mynarski gave a follow-up on what the internal auditor is doing. In addition to the building inspection audit, he is about to release a revenue and expenditure review of the Board of Education Adult Education Program. He is also going to expand the Grass Island Marina Audit to include the other marinas. He is also helping out with the year-end closing.

The Retirement Board Flash Report was late and not available at the time of the writing of the Comptroller's Report. Mr. Mynarski distributed copies of this report to those Board members who had not received it. The Retirement Fund year-end fund balance was \$301,715,000. The composite return for the year was 9.2%. This is the second consecutive good year. Last year the composite return was 13.8%. Since June 30, 2003 the fund has grown from \$267,000,000 to \$301,000,000, and is fully funded. As of the last actuarial report it was 124% funded.

Mr. Mynarski pointed out that attached to the Comptroller's Report is an opinion from the Town Attorney regarding the North Mianus sewer project. Mr. Mynarski had questions for the Town Attorney regarding the roles of the Comptroller, BET, RTM and Condemnation Commission. Mr. Mynarski said that he is satisfied with the opinion defining his role in the certification process and in properly allocating the assessments to the affected property owners.

Mr. Mynarski said that there had been a very successful renewal process with the insurance policies. The town ended up \$268,000 below the budgeted amount.

In response to a question from Mr. Walko regarding reference to the Preferred Provider Network of CIRMA in the Comptroller's written report, Mr. Mynarski said that this relates to worker's compensation. Mr. Mynarski said that the Orthopaedic & Neurosurgery Specialists Group, Greenwich Hospital and Occupational Health will be part of the CIRMA Network and that, going forward, there will be discounts for all new claims. This will provide savings for the town. This new provider network will not be a requirement for claims existing prior to the signing of the contract. The actual contract date has not yet been determined. The piece that is still missing is that union approval has not yet been obtained for requiring employees to go into this network.

In response to a question from Mr. Berg regarding the Parking Fund balance of \$4,026,000 as found in the Treasurer's and U.S. Trust Reports, Mr. Mynarski said that the Parking Fund is estimated to have a liquid fund balance of \$6.5 million, as opposed to the total fund balance that includes the infrastructure. The remaining liquid funds (the difference between the \$6.5 million and the \$4,026,000) are found in the STIF account. The bulk of the money in the STIF account - \$24 million - is short-term money for capital projects. Approximately \$14 million of short-term lock box money is with Hudson United, earning an extra 30 basis points. Short-term money will be shifted to get the best rates. An opportunity to get a higher rate has just presented itself with TD North Bank's imminent acquisition of Hudson.

Ms. Storms asked how much was being saved as a result of the conversion from the balance requirement to bank fees. Mr. Mynarski replied that last year it cost approximately \$100,000 for bank fees. He would need some history to provide this information but can do an analysis each month. The rates are rising. Ms. Storms said that she would like to see this analysis.

Upon a motion from Mr. Simon, seconded by Mr. Mason, the Board voted 12-0-0 to accept the Comptroller's Report as submitted.

TREASURER'S REPORT

Upon a motion by Ms. Burnett, seconded by Ms. Guimard, the Board voted 12-0-0 to accept the Treasurer's Report as submitted.

APPROVAL OF MINUTES

Upon a motion by Ms. Storms, seconded by Mr. Stone, the Board voted 9-0-3 to approve the minutes of the Special Meeting of the Board of Estimate and taxation held on June 1, 2005, with Ms. Burnett, Ms. Guimard and Ms. Storms abstaining because they were absent from the meeting.

Upon a motion by Ms. Burnett, seconded by Mr. Simon, the Board voted 12-0-0 to approve the minutes of the Regular Meeting of the Board of Estimate and Taxation held on June 20, 2005.

OFFICER'S REPORT

Mr. Tesei reported that he will be meeting tomorrow evening with the First Selectman and the Moderator of the RTM to discuss the appointment of one of two citizen representatives to the Retirement Board. Mr. Pagliaro has indicated a desire to be reappointed. The RTM, through the Moderator, has asked that other candidates be interviewed. Mr. Pagliaro and at least one other candidate will be interviewed.

A Special Meeting of the Board of Estimate and Taxation has been scheduled for Wednesday, September 21, 2005 to approve the 2006-2007 Budget Guidelines. There will be a Budget Committee meeting at 5:30 p.m. and a full BET meeting at 6 p.m.

The Board is once again in the process of searching for a paid recording secretary to do the minutes. A meeting was held last week to address the format the minutes should take. It is hoped that we can arrive at a more workable solution that may not require outside services. Mr. Tesei extended a thank you to Ms. Rutgers who has kept the minutes in order in the absence of a recording secretary.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

Mr. Walko requested that the Board go into Executive Session.

Upon a motion by Mr. Walko, seconded by Mr. Krumech, the Board voted 12-0-0 to go into Executive Session at 7:34 p.m. for the purpose of discussing a pending legal claim relating to the retention of outside counsel by the Board of Education.

Those in attendance during the Executive Session in addition to the twelve Board of Estimate and Taxation members were Mr. Crumbine, Mr. Mynarski, Mr. Gieger and Mr. Gomeau.

Upon a motion by Mr. Krumeich, seconded by Ms. Guimard, the Board voted 12-0-0 to come out of Executive Session at 8:04 p.m.

Upon a motion by Mr. Walko, seconded by Mr. Krumeich, the Board voted 12-0-0 to request a written legal opinion from the Town Attorney to be presented by October 4, 2005 regarding the applicability of the Special Act of 1921 in connection with the Board of Education and control of commitments.

The expectation was that this opinion would first be vetted through the Law Committee of the BET and submitted with a recommendation from the Law Committee to the full Board at its October meeting. The opinion would be distributed with the agenda for the October Law Committee meeting.

Mr. Krumeich said that this was an important issue to the extent that the Board of Education is required to follow the object code for use of appropriated funds. This could be a major departure from current practice. This is also a legal issue for which we need more guidance regarding the formation of budgets. This will also start the discussion as to whether, as a matter of policy, we want to do something different from what has been done in the past. Mr. Krumeich said that, since it has been asserted that there is a legal basis for changing current practice, we clearly need a written opinion from the Town Attorney.

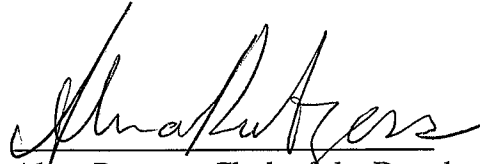
Ms. Storms reiterated the importance of having a written opinion from the Town Attorney to let us know whether or not our current practice is in legal compliance.

In response to a question from Ms. Burnett, Mr. Gomeau assured the Board that the Law Department will render a legal opinion.

Mr. Krumeich suggested that it is a consensus of the Board to be communicated to staff that they work further on resolving the issues surrounding the specific claim regarding the Board of Education's hiring of outside counsel without authorization from the Law Department. This is a matter for the Comptroller and the Town Attorney to look at. Mr. Mynarski asked if he is expected to go beyond writing a letter to the Town Attorney asking that he waive, or retract, the position he has taken. Mr. Walko asked that Mr. Mynarski use his skills as a department head to work this out with the Town Attorney and the Law Department.

Upon a motion by Ms. Guimard, seconded by Mr. Simon, the Board voted 12-0-0 to adjourn the meeting at 8:11 p.m.

Respectfully submitted,


Alma Rutgers, Clerk of the Board


Peter J. Tesori, Chairman