



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

DEBT & FUND BALANCE POLICY WORKING GROUP MEETING MINUTES

Thursday, November 19, 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: Miriam Kreuzer, Jeffrey S. Ramer, Leslie L. Tarkington

RTM: Michael Basham, (D-5) Chair, Finance, Member LCC

Public: Tony Turner

The meeting was called to order at 2:33 P.M.

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

Acceptance of the November 5, 2020 Minutes was deferred to the next BET Debt & Fund Balance Policy Working Group Meeting.

2. Further Discussion of Fund Balance Policy

The Chair commented that while there is agreement on the Fund Balance Policy, the addition of remedies that the BET could take should the ratio change to either above or below the target range of 8% to 15%, needed to be discussed. Upon consideration of proposed insertion of text into the previous meeting's Fund Balance Policy draft, the Working Group suggested that they preferred the previous draft without 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 Debt model and discussed possible changes in text and estimated growth of Grand List revenue and increase in Operating expenses across the 15-year model. A member of the Working Group proposed that analysis of both the Town and BOE Capital financing requirements be broken out into subset line items labeled Basic Maintenance expenses and Extraordinary Capital project execution. Additionally, the amount Capital to be financed, \$55 million, does not include the BOE's capital request of \$36 million.

Recommendations for possible additional changes to the Debt model included adding the expense of interest rate on bonds; revising the straight-line 1% increase in Grand List growth to reflect the Assessor's estimate of expected incremental increase after a Revaluation every 5-years; reviewing recent operating expense growth to estimate average expense across the model's 15-year horizon; and add an estimate of revenue from gifts, sponsorship and facility-naming possibilities.

It was decided that the Debt Policy draft would be considered a first read and a revised draft will be circulated. No vote was taken.

A member of the Working Group suggested that an explanation of decisions and rationale be prepared to memorialize the process and add how conclusions were drawn: four ways to adjust the Debt & Fund Balance model -- reduce the value of Capital projects, increase the Capital Tax Levy, extend the Maturities, or liberalize ratios.

The Chair remarked that he planned to follow-up with:

- the Assessor on Grand List assumptions
- the Budget Director on a breakout of Maintenance and one-time Special Projects under Town and BOE financing requirements on 15-year
- the Budget Director for a list of \$5 million or more future Capital Projects

A revised draft of the Debt Policy will be circulated with sensitivity tables prior to the next meeting.

4. Adjournment

Upon a motion by Mr. Drake, seconded by Ms. Moriarty, the Working Group voted 4-0-0 to adjourn the Meeting at 4:19 P.M. Motion carried.



Catherine Sidor, Recording Secretary



Andreas Duus, Working Group Chair

Schedule of 2020 Debt and Fund Balance Policy Working Group Committee Meetings

December 2, 2020 (Wednesday) 2:00 P.M. – 4:00 P.M. (N.B. New Time)

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