



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

**DEBT & FUND BALANCE POLICY WORKING GROUP MEETING MINUTES**

Wednesday, December 2, 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: Laura Erickson, Miriam Kreuzer, Leslie L. Tarkington

RTM: Hector Arzeno, (D-8), Finance Committee

Guest: William Lindsay, Hilltop Securities, LLC

The meeting was called to order at 2:02 P.M.

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

Upon a motion by Mr. Drake, seconded by Ms. Moriarty, to accept the Minutes of the BET Debt & Fund Balance Policy Working Group Meeting of November 5, 2020. The Group voted 4-0-0 as amended for scrivener's error. Motion carried.

Upon a motion by Mr. Drake, seconded by Mr. Duus, to acceptance the Minutes of the November 19, 2020 Meeting, the BET Debt & Fund Balance Policy Working Group voted 4-0-0. Motion carried.

**2. Further Discussion of Fund Balance Policy**

The Working Group reviewed the draft of the Fund Balance Policy revised at the November 19 meeting. After additional discussion, the Working Group agreed that the text accurately reflected the issues agreed to at the previous meeting. The Working Group reaffirmed their preference of the previous draft without any new 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 proposed changes to the Debt Policy circulated by the Chair. It was decided to focus on the spreadsheet working model to see the impact of the previous meetings proposed changes including annual increases in Capital Tax Levy in dollars; and adjusting the worksheet with sensitivity to inflation in annual increase in Grand List contrasted to growth in the Operating Budget. Referring to the Policy Guidelines for measurement methodology, a member of the Committee stressed the need to differentiate Maintenance Capital from Capital Projects to understand the budget stress points in the 15-year Model. In an alternate approach, the one-time special projects were separated from the total amount of the projected capital spending, to examine where modifications are possible to stay within the Town's capital budget allocation.

The Model illustrated the sensitivities of the three policy guidelines to changes in capital spending, the rates of growth of the Capital Tax Levy, operating costs and the Grand List.

The Chair noted that generally debt service cannot be funded with the proceeds of debt borrowing, without threatening the federal tax exemption for the investor. Therefore, it will be critical to make sure that tax continue to fund some small portion of capital spending. Another expressed concern that it remains essential to resist temptation to reduce maintenance capital spending.

The Group proposed grammatical adjustment of the final draft of the text before the next meeting.

In further discussion of possible debt policy changes, it was decided to adjust the Policy as follows: "Going forward, debt maturity shall be considered the 15-year capital forecasting model, and the evaluation of debt maturities up to 20-years to address major infrastructure and remediation projects."

#### **Chair Remarks**

Mr. Duus will prepare a draft of the Working Group report to the BET regarding the challenges faced preparing the model's numbers in the environment of uncertainty going forward; further clarifications of the capital and maintenance projects; and questioning the inflation rate assumptions.

### **4. Adjournment**

Upon a motion by Ms. Moriarty, seconded by Mr. Weisbrod, the Working Group voted 4-0-0 to adjourn the meeting at 3:52 P.M. Motion carried.

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Catherine Sidor, Recording Secretary

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Andreas Duus, Working Group Chair

**Next Scheduled Meeting of 2020 Debt and Fund Balance Policy Working Group**

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

SUBJECT TO APPROVAL