MINUTES of the regular meeting of the Board of Estimate and Taxation held on Wednesday, January 17, 2018, in the Town Hall Meeting Room, Greenwich, CT.

Chair Jill Oberlander called the meeting to order at 5:38 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

  Jill K. Oberlander, Chair
  Jeffrey S. Ramer, Vice Chairman
  Elizabeth K. Krumeich, Clerk
  William Drake
  Andreas Duus, III
  Karen Fassuliotis
  Debra Hess
  Michael S. Mason
  Leslie Moriarty
  Leslie L. Tarkington
  Anthony Turner
  David Weisbrod

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Benjamin Branyan, Town Administrator; Lauren Elliott, Assessor; Howard Richman, Tax Collector; J. Wayne Fox, Town Attorney; Aamina Ahmad, Assistant Town Attorney

Public:

  Allen Brown, Director, The Nathaniel Witherell (TNW); Laurence B. Simon, Chairman, TNW Board of Directors; Arthur D. Norton, former BET Member and former Chairman, Special Committee on TNW; Nancy S. Weissler, former BET Member and Member, Special Committee on TNW; Alma Rutgers, Columnist, Greenwich Time; Laura Gladstone, Principal, Gladstone Companies

RTM:

  Kimberly S. Fiorello, D-7, Health and Human Services Committee; Lucia D. Jansen, Chair, Budget Overview Committee; Danyal Ozizmir, D-5, Vice Chairman, Budget Overview Committee; Patricia H. "Patty" Roberts, D-5, Secretary, Health and Human Services Committee; Alexis Voulgaris, D-6, RTM Moderator Pro Tem, Chairman, Health and Human Services Committee and Chairman, Community Development Advisory Committee

Ms. Oberlander welcomed BET members and attendees to the first meeting of the 2018 term.

**Executive Session – Discussion of Pending Litigation**

Ms. Oberlander called for an Executive Session to discuss pending personal injury litigation.
Upon a motion by Mr. Ramer, seconded by Mr. Turner, the Board voted 12-0-0 to enter into Executive Session at 5:43 p.m.

Upon a motion duly made by Mr. Ramer, seconded by Mr. Duus, the Board exited the Executive Session at 6:10 p.m.

Requests for Budget Adjustments

None

ASSESSOR’S REPORT

Ms. Elliott reported that the 2017 Grand List would be completed by the end of the next week and totals would be published at that time. Statements would be sent out to taxpayers whose assessments changed, and a form and instructions on how to file an appeal with the Board of Assessment Appeals would be included. Ms. Elliott noted that the deadline for filing assessment appeals is February 20, 2018, for Hearings to be held in March 2018. Senior Tax Program application would be sent to senior taxpayers next week. Ms. Elliott also reported that 12 of the 2015 Assessment Appeals cases had been withdrawn from pending litigation. Ms. Oberlander asked if public notice of the opportunity to appeal assessment would be published, to which Ms. Elliott responded that it was being prepared for publication next week.

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

COMPTROLLER’S REPORT

Mr. Mynarski reported that $40 million of tax-exempt General Obligation Bonds for 5-year financing of General Fund capital projects were bid on by 10 regional and national financial institutions and purchased by Bank of America Merrill Lynch at an effective interest rate of 1.547% in comparison to previous fiscal year’s effective interest rate of 1.358% for $40 million of blended term bonds. In addition, the Town issued $65 million in short-term, tax exempt General Obligation Bond Anticipation Notes. A total of 11 bids (9 bidders) were received on the Notes which were purchased by the Citigroup Global Markets Inc. and Morgan Stanley & Company, LLC. The Town will close on the Bonds and Notes on January 19, 2018.

Mr. Ramer inquired as to the backlog of work in the Tax Collector’s office and specifically as to the reconciliation of returned checks, rejected credit card payments, certificates of correction on tax appeals, and correction of clerical errors. The Comptroller replied that the reconciliation of returned checks and rejected credit card payments had been greatly reduced, but that he did not know the status of certificates of correction and clerical error correction, and would provide an up-date next month.

Ms. Hess asked if a Town of Greenwich (TOG) custodial policy would be implemented related to the Retirement Board’s search for new custodial services to be held through the issuance of an RFP to which Mr. Mynarski responded that a new policy would be implemented.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the Comptroller’s Report.
TREASURER’S REPORT

Ms. Oberlander requested that the BET members accept the Treasurer’s Report that shows the investment portfolio activity for December 2017.

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

BET Standing Committee Reports

Policy/Procedures - Mr. Ramer commented that he would be proposing some changes to the Policy and Procedure Manual during the February BET meeting after discussing them with the other member of this Committee, Mr. Mason. He asked any BET member to bring suggestions of changes for consideration to either Mr. Mason or himself as soon as possible.

BET Liaison and Special Projects Team Reports

CIP – Capital Improvement Projects – Ms. Moriarty reported that the CIP Public Hearing was well-attended and the majority of the approximately 20 speakers commented on the school playing fields and artificial turf. The CIP Committee is an advisory committee the First Selectman as part of the development of the capital plan. Ms. Moriarty noted that the starting point for the FY19 capital plan totaled $49.6 million as compared to the FY18 request for $49.9 million. She noted that there were six projects not identified as continuing or maintenance and the Committee submitted rankings for those six projects. Ms. Moriarty reported that Mr. Tesei would consider the input of the CIP Committee as he finalizes the proposed Capital Plan that will be included in the First Selectman’s Budget presentation on January 29, 2018, at 6:00 P.M.

The Special Committee on the Nathaniel Witherell Report – Mr. Norton presented the Report of the Board of Estimate and Taxation Special Committee on the Nathaniel Witherell (the Report).

Mr. Norton introduced the Report by saying that in his opinion, TNW was one of the jewels of the TOG crown given the quality of care provided. The Special Committee had met 50 times over 22 months to consider the strengths and weaknesses of the facility and found that as a rehabilitation and skilled nursing facility it was a service business versus a demand business. By issuing this Report, the Committee wants to encourage a community discussion about the potential future of the facility. Mr. Norton explained that its relationship with TOG gave TNW sovereign immunity, making the attempted 1963 merger with Greenwich Hospital incompatible. Mr. Norton drew out the Report’s three key findings impacting TNW’s current and future success: market forces; a substantial payroll; and Town ownership which precluded amassing working capital. One of the options proposed by the Committee was to establish a separate tax exempt 501(c)(3) nonprofit corporation and develop a relationship with TNW that would be modeled on the Town’s relationship with the Bruce Museum and its Board of Directors.

Ms. Oberlander thanked the Committee for its diligent work, Mr. Mynarski for his participation, and TNW Administrator Mr. Allen Brown, TNW Chair, Mr. Larry Simon, and RTM members who attended many meetings. Ms. Oberlander noted that TNW was a complex and dynamic entity. She asked that BET members have an opportunity to absorb the depth of research and information in the Report.

Ms. Weissler then spoke about TNW’s business model, noting that cash flow generated from its
short-term rehabilitation business partially offsets the cash deficit on its long-term care business. She noted that the Report highlights that the short-term rehabilitation business is expected to come under increasing pressure due to a shift to value-based payments and shorter lengths of stay for orthopedic patients. Ms. Weissler indicated that it is difficult to compare TNW's actual results with the projections in the 2012 long-range plan, which was developed by an outside consultant when the Project Renew decision was made, because of accounting changes adopted in 2017. TNW has underperformed the 2012 plan, however, principally because of weaker revenues due to lower private pay and Medicare patient days and because of higher labor costs. TNW's hourly labor costs are 8% to 34% higher than its peers, and its benefits as a percentage of wages at 42% is much higher than the private sector at 25% to 30%. She noted that the Committee defined what TNW is costing the Town as its cash flow deficit from operations and including capital expenditures but excluding debt service. In FY17, the Town's subsidy was $1.3 million. In FY18, TNW expects this subsidy to decline because of the Town's shift to the lower-cost State Partnership Plan for health insurance. The Committee expects, however, this subsidy to increase over the next several years due to the weakness in private pay and Medicare patient days and pressure on Medicaid rate increases, coupled with the increases in labor costs. Also TNW has incurred higher capital expenditures than was projected in the 2012 long-range plan.

Ms. Oberlander thanked Mr. Norton for his leadership of the Committee and his recognition of the value of the services provided. Ms. Oberlander changed the composition of the Committee, assigning four current BET voting members (Drake, Duus, Krumeich, Ramer) and adding Mr. Norton and Ms. Weissler as non-voting members to provide continuity due to their expertise and familiarity with TNW. Mr. Drake read from the BET Policy & Procedures Manual: "[t]he Chairman shall appoint BET members as liaison or special project team members." specifying that BET members were voting members. He suggested that the Chairman should be selected from among the four BET voting members. He suggested that Ms. Weissler and Mr. Norton continue as non-voting, ex officio members. Ms. Oberlander indicated that she would research the authority to appoint the Special Committee's membership and chair. Ms. Oberlander thanked the members of the Special Committee and asked for a special education session for the BET on the Report.

New Lebanon School Building Committee – Mr. Drake reviewed the grant receipt process to date and commented that the first application for reimbursement for completed work had already been submitted to the State in November 2017. The official Ground Breaking had taken place on December 7, 2017, and site preparation was now underway. Fences have been installed and construction has commenced. Mr. Mason asked Mr. Mynarski to inform the BET when the first reimbursement is received from the State.

New Business

None

Old Business

None

Approval of the BET Meeting Minutes

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 8-0-4 to approve the Minutes of the BET Orientation Meeting of December 13, 2017. (Abstain: Duus, Fassuliotis, Hess, Weisbrod)
Mr. Turner and Ms. Krumeich suggested changes to the Minutes of the BET Regular Meeting of December 14, 2017.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 8-0-4 to accept the Minutes of the BET Regular Meeting of December 14, 2017, as amended. (Abstain: Duus, Fassuliotis, Hess, Weisbrod)

Ms. Hess and Ms. Krumeich suggested changes to the Minutes of the BET Organizational Meeting of January 8, 2018.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the Minutes of the BET Organizational Meeting of January 8, 2018, as amended.

Chairman’s Report

Ms. Oberlander thanked BET members for their diligent work and the Finance Department for its support of the BET. She thanked the IT Department for all of its help on-boarding the new BET members. She looked forward to completing and forwarding the schedule of TOG Departments’ Meetings during the February Budget Meetings shortly.

The BET’s Regular meeting scheduled for June 11, 2018, is rescheduled to June 18, 2018.

Adjournment

Upon a motion by Ms. Fassuliotis, seconded by Mr. Duus, the Board voted 12-0-0 to adjourn at 6:56 P.M.

The next Regular Meeting of the BET on Tuesday, February 20, 2018, at 6:30 P.M. in the Town Hall Meeting Room.

Respectfully submitted,

Catherine Sidor, Recording Secretary

Elizabeth K. Krumeich, Clerk of the Board

Jill K. Oberlander, Chair