



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, January 23, 2013 in the Cone Meeting Room, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:40 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Michael S. Mason, Chairman  
Arthur D. Norton, Vice Chairman  
Mary Lee A. Kiernan, Clerk  
Gregory Bedrosian  
Robert Brady  
William R. Finger  
Sean Goldrick  
Randall Huffman  
Marc V. Johnson  
Joseph L. Pellegrino  
Jeffrey S. Ramer  
Leslie L. Tarkington

Selectmen: Drew Marzullo

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; John Crary, Town Administrator

### **ROUTINE APPLICATIONS**

#### **SE-5 First Selectman – Additional Appropriation \$15,000**

Additional Appropriation:

\$ 15,000	to	P935-57350	Settlement – Milliou v. TOG
\$ 15,000	from		Risk Fund Balance

Mr. Ramer shared information from the Law Department regarding the amount of the settlement.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to reduce the application amount from \$27,000 to \$15,000.

#### **SE-6 First Selectman – Additional Appropriation \$50,000**

Additional Appropriation:

\$ 50,000	to	P935-57350	Settlement – Trujillo v. TOG
\$ 50,000	from		Risk Fund Balance

FL-1 Fleet – Transfer \$35,000

Transfer:

\$ 35,000	to	A380-53550	Mechanical Supplies
\$ 35,000	from	A380-54200	Maintenance of Machinery

Upon a motion by Ms. Kiernan, seconded by Mr. Pellegrino, the Board voted 12-0-0 to approve SE-5, as amended, and the other routine applications.

**NON-ROUTINE APPLICATIONS**

ED-3 Board of Education – Release of Conditions \$126,000

Release of Conditions:

\$ 126,000	to	B680-59090-13150	Phone System (Mitel) Upgrade
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Upon a motion by Mr. Brady, seconded by Mr. Pellegrino, the Board voted 12-0-0 to add this item to the agenda.

Mr. Pellegrino explained that although the Budget Committee voted 4-0 in favor of this application, the item was postponed from the Board's December meeting Agenda in order to explore other voicemail system options.

Upon a motion by Mr. Pellegrino, the Board voted 12-0-0 to approve the application.

**ASSESSOR'S REPORT**

Ms. Elliott presented the Assessor's Report, highlighting completion of the 2012 Grand List, the appeals process, the elderly tax credit application process, the RFP for new assessment/collection software, and the software implementation process.

Mr. Mason explained the reasons for the delay in the software RFP progress. A discussion followed regarding the RFP process and return date, the timing of software implementation and data conversion, and the weakening in both motor vehicle and personal property values.

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

**COMPTROLLER'S REPORT**

Mr. Mynarski presented the Comptroller's Report to the Board, highlighting the triple A rating the Town received from all three rating agencies, the recent offering of \$55 million in BANS and \$21 million in five year bonds, the FY 2014 CIP process, and the efforts undertaken with respect to five RFP's now in process.

Upon a motion by Mr. Norton, seconded by Mr. Pellegrino, the Board voted 12-0-0 to accept the Comptroller's Report.

**ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO  
ACTIVITY FOR THE PERIOD OF December 1, 2012 – December 31, 2012**

Upon a motion by Mr. Finger, seconded by Mr. Norton, the Board voted 12-0-0 to accept the Treasurer's Report.

**BET Standing Committee Reports**

There were no Standing Committee Reports

**BET Liaison Reports**

*CIP – Capital Improvements*

Mr. Mason reviewed the CIP process and thanked Mr. Brady for attending these meetings. Mr. Mason noted that the public hearing on the CIP budget is Monday, January 28<sup>th</sup>.

*Revaluation Team Report*

The Revaluation Team Report was included in the Agenda packet and discussed under the Assessor's Report.

**BET Special Project Team Reports**

*GHS MISA / Remediation Report*

Ms. Tarkington reported that the BOE submitted the MISA application and follow-up documents to BSF. BSF's approval is expected shortly, at which time the project will go out to bid.

**NEW BUSINESS**

**Acceptance of the July 1, 2012 Retirement System of the Town of Greenwich Actuarial Review and Analysis, and the July 1, 2012 Other Post Employment Benefits Actuarial Report**

Mr. Mynarski presented the two actuarial reports, noting the option of combining these in the actuary RFP now in process, and he reviewed his recent memo setting forth the components and history of Town contributions to these programs. Mr. Mynarski further noted that the key factors behind the rising Annual Required Contribution (ARC) were the amortization of \$60-70 million in losses from 2008 and the reduction in the assumed rate of return. He further noted that acceptance of the report meant acceptance of a 7.5% rate of return and a 3.0% rate of inflation assumptions, not any future assumptions. Mr. Pellegrino stated that the Budget Committee voted unanimously to accept the reports after they were discussed at length at the Budget Committee's meeting.

Mr. Mason reviewed the history of the Retirement System's ARC and summarized alternative options to approving the actuary's report including: selling pension obligation bonds to finance the unfunded liability of approximately \$125 million; not funding the ARC; the RTM using its authority to close down the Retirement System and use pay-as-you-go funding; or increasing the rate of return assumption in the model and reducing the ARC. Mr. Pellegrino reviewed the Budget Committee's concerns and unanimous vote; the fact that rating agencies are using a 7% assumption and his opinion that the actuary's assumptions are directionally correct; the

obligation of the Town to its retirees; and the improving investment performance of the Retirement System. Mr. Goldrick shared concerns with respect to rating agencies decreasing the rate of return assumption, which may be punitive for municipalities, and whether increasing the rate of return assumption would be prudent. Mr. Huffman noted that decreasing the rate of return assumption shifts more of the burden to current taxpayers and away from future taxpayers. Mr. Brady noted that in addition to the Retirement System's role in fulfilling the Town's obligation to retirees, the Retirement System should also protect the taxpayer, particularly in the trade-off between overburdening future versus current taxpayers. Mr. Mason noted that the BET liaisons to the Retirement Board are producing a white paper on the Retirement System.

Upon a motion by Mr. Pellegrino, seconded by Mr. Finger, the Board voted 11-0-1 (Mr. Mason abstained) to accept the July 1, 2012 Retirement System of the Town of Greenwich Actuarial Review and Analysis, and the July 1, 2012 Other Post Employment Benefits Actuarial Report.

### Review of BET Debt and Fund Balance Policies

Mr. Mason announced the formation of a special project team to review and provide recommendations with respect to the BET's Debt and Fund Balance policies at the April BET meeting. Mr. Mason appointed Mr. Brady, Mr. Huffman, Mr. Johnson, and Mr. Pellegrino to this committee. Mr. Mason highlighted some of the issues that the committee will review, including the Town's debt position and capital project pipeline when the Debt Policy was adopted and how these have progressed over time, models for the use of long-term debt financing, a review of the current pay-as-you-go financing of sewer maintenance, rating agency perspectives and requests in respect of the Fund Balance policy, and the question of whether debt that has associated revenue should be included in the definition of debt for purposes of the Debt Policy.

### OLD BUSINESS

#### Assessor/Tax Collector software update

This topic was discussed during the Assessor's Report.

### APPROVAL OF MINUTES

#### BET Regular Meeting, December 17, 2012

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the Regular Meeting Minutes of the BET from December 17, 2012.

### CHAIRMAN'S REPORT

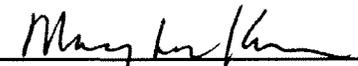
Mr. Mason and Ms. Kiernan shared brief comments concerning their attendance at various meetings.

**ADJOURNMENT**

Upon a motion by Mr. Goldrick, seconded by Mr. Brady, the Board voted unanimously to adjourn at 7:41 P.M.

Respectfully submitted,

  
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Maria Bocchino, Recording Secretary

  
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Mary Lee A. Kiernan, Clerk of the Board

  
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Michael S. Mason, Chairman