MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, January 24, 2011 in the Town Hall Meeting Room, Greenwich, CT.

Chairman Stephen Walko called the meeting to order at 6:32 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Stephen G. Walko, Chairman  
Jim Campbell, Vice Chairman  
Joseph L. Pellegrino, Clerk  
Nancy E. Barton  
William R. Finger  
Randall Huffman  
Michael S. Mason  
Jeffrey S. Ramer  
Laurence B. Simon  
Leslie L. Tarkington

Absent: William G. Kelly, Arthur D. Norton

Selectmen: Peter Tesei, First Selectman; Drew Marzullo

Staff: Peter Mynarski, Comptroller; Ted Gwartney, Assessor; Robert Shipman, Assistant Assessor; Jim Lavin, Retirement Plans Administrator; Amy Siebert, Commissioner; Alan Monelli, Superintendent, Building Construction and Maintenance, Public Works Department; Eugene McLaughlin, Assistant Town Attorney; Peter Siecienski, Fire Chief

NON-Routine APPLICATIONS

PW-9  DPW – Release of Conditions $750,000

Release of Conditions:
$ 750,000 to B345-5960-11131 Central Fire Station
$ 750,000 from Release of Funds

Mr. Mason explained that this release of conditions is to cover: 1) the Holly Hill rent to temporarily house the Fire Department administration; 2) the construction management contract with URS for the design phase; and 3) A&E funds to develop architectural renderings so that we can have accurate cost projections when we apply for municipal improvement status and are requested to approve funding for construction. This release does not include: 1) demolition; 2) site preparation and construction costs; or 3) design and temporary relocation costs for the
career force, two volunteer companies and fire apparatus. Nor does this release have a plan to address GEMS administration and training needs.

Mr. Mason also reported that GEMS does not need to have space that meets the 2011 building requirements for emergency responders; basic Class A office space would meet their needs, along with a vehicle and service storage area. According to the Town’s agreement with GEMS, the town has a commitment of just over $200,000 per year towards their rent; the First Selectman has assured the Budget Committee that there remains consideration of a location for GEMS, however not in this project. The Budget Committee will continue to discuss locations for GEMS, relocation of the fire company, the King Street Fire Station, and staffing, at future meetings.

Mr. Ramer shared comments regarding rental expense included in the operating budget, instead of the capital budget.

Upon a motion by Mr. Mason, seconded by Mr. Simon, the Board voted 10-0-0 to approve the application.

**PW-10 DPW – Release of Conditions $231,000**

Release of Conditions:
$231,000 to Z312-59660-29032 Drainage
$231,000 from Release of Funds

Mr. Mason explained that this request is for a continuation of drainage projects that were appropriated in FY 2009 and gave an overview of the projects being addressed. Mr. Walko explained that Release of Conditions requests are not money that is coming out of contingency or fund balance, but is money that was appropriated in a prior budget and is being released because the condition that the BET placed on this appropriations was met.

Upon a motion by Mr. Mason, seconded by Mr. Simon, the Board voted 10-0-0 to approve the application.

**SE-10 First Selectman – Additional Appropriation $200,000**

Additional Appropriation:
$200,000 to P935-57350 Settlement
$200,000 from Risk Fund Balance

Ms. Barton explained that this request is for payment of a fine and settlement of a suit with the US Environmental Protection Agency and CT Department of Environmental Protection. This payment is only part of the overall settlement agreement that was reached; the full impact will ultimately come through the CIP process in future years. Ms. Barton stated that this was due to an Old Greenwich common force main break in 2008, which caused a significant sewage spill. Mr. Mason stated that a detailed presentation was given to the Budget Committee, in executive session on January 19, 2011.

Mr. Walko commented that a significant amount of funding will be required, in the future, for the repair and/or the replacement of sections of the force main, also whether this will be sewer improvement or sewer maintenance has not yet been determined. Ms. Barton stated that this
settlement has additional provisions and that once approved, those provisions must be complied with.

Upon a motion by Ms. Barton, seconded by Mr. Campbell, the Board voted 10-0-0 to approve the application.

RF-5 Retirement Board – Contract Approval

Mr. Pellegrino stated that the Retirement Board wishes to amend the current Investment Management Agreement with State Street Global Advisors in order to invest in the MSCI EAFE Index Securities Lending Fund and gave an overview of the fund. Mr. Pellegrino stated that the contract with Artio Global Management will be terminated and $45,543,876 will be transferred, upon approval of this request.

Upon a motion by Mr. Pellegrino, seconded by Mr. Simon, the Board voted 10-0-0 to approve the amendment to the contract.

RF-6 Retirement Board – Contract Approval

Mr. Pellegrino stated that the Retirement Board wishes to enter into a contract with TCW-EIG Alternative Investments, LLC in order to invest in Energy Fund XV, an alternative mezzanine investment. Mr. Pellegrino then gave an overview of Energy Fund XV investments.

Upon a motion by Mr. Pellegrino, seconded by Mr. Simon, the Board voted 10-0-0 to approve the contract between the Retirement Board and TCW-EIG Alternative Investments, LLC for an investment of $10 million in their Energy Fund XV, L.P.

ROUTINE APPLICATIONS

CD-4 Community Development – Approval to Use $68,750

Approval to Use:
$ 57,450 to Q19710-59900-21834 Boiler Replacement at Franklin Commons
$ 11,300 to Q19710-59900-21835 St. Luke’s LifeWorks Roof Replacement
$ 68,750 from Diamond Hill Repayment

Unexpected Program Income

Upon a motion by Mr. Pellegrino, seconded by Mr. Mason, the Board voted 10-0-0 to approve the application.

CC-2 Conservation Commission – Additional Appropriation $4,000

Additional Appropriation:
$ 4,000 to F172-51490 Public Outreach
$ 4,000 from Connecticut Clean Energy Fund Grant

Upon a motion by Mr. Pellegrino, seconded by Mr. Simon, the Board voted 10-0-0 to approve the application.
ASSESSOR’S REPORT

Mr. Gwartney presented the Assessor’s Report to the Board and gave an overview of the hearing process regarding the 2010 Revaluation. Mr. Gwartney stated that the deadline for Informal Hearings is January 31, 2011, and the deadline for filing an appeal for the Board of Assessment Appeals is March 21, 2011. An Informal Hearing is not required in order to go before the Board of Assessment Appeals, however a Formal Hearing is necessary in order to move a case forward to Superior Court.

Mr. Simon suggested that Mr. Gwartney seek clarification from the Law Dept. regarding the Senior Tax Relief Ordinance and the mill rate applied. A discussion followed regarding the Senior Tax Relief Ordinance, calculating the tax credits to the nearest dollar, and the maximum house assessment.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 10-0-0 to accept the Assessor’s Report.

COMPTROLLER’S REPORT

Mr. Mynarski presented the Comptroller’s Report to the Board. Ms. Tarkington commended Mr. Mynarski’s success in terms of the BANS and Bond issuance.

Upon a motion by Mr. Pellegrino, seconded by Mr. Mason, the Board voted 10-0-0 to accept the Comptroller’s report.

ACCEPTANCE OF TREASURER’S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIOD OF December 1, 2010 – December 31, 2010

Upon a motion by Mr. Simon, seconded by Mr. Pellegrino, the Board voted 10-0-0 to accept the Treasurer’s Report.

BET Standing Committee Reports

Audit Committee Report
Investment Advisory Committee Report

Mr. Simon stated that the Human Resources Committee will be issuing the RFP for the Human Resources Study by the end of this week. Prior to its issuance, the document will be circulated to the Board for comments regarding scope of services.

BET Liaison Reports

BET Special Project Team Reports

Revaluation Team Report

CHAIRMAN’S REPORT
Mr. Walko shared comments regarding the upcoming budget process. The upcoming public hearing dates: the CIP Committee Public Hearing, January 31, 2011, at 7:30 P.M.; the Budget Committee Public Hearing, February 7, 2011, at 7:00 P.M.; and the BET Public Hearing, March 29, 2011, at 7:00 P.M., all are in the Town Hall Meeting Room. Mr. Walko also stated that all emails and communications concerning the budget are circulated to the members of the BET, for those who may have difficulty attending the Public Hearing sessions.

OLD BUSINESS

Request for Additional Revaluation Information

   Upon a motion by Tarkington, seconded by Mr. Pellegrino, the Board voted 10-0-0 to take this item out of order.

Mr. Walko stated that this item came before the BET last month and is included in the Assessor’s Report, 11. Land Influence Factors. Ms. Tarkington reported that the Revaluation Team expects to make its’ recommendation regarding the solution on the Land Influence Factor issue at the BET February 22, 2011, meeting. A discussion followed regarding public input, and access and availability of public information.

NEW BUSINESS

BET Budget Calendar

Mr. Walko shared comments regarding the BET Budget Calendar. Mr. Ramer mentioned that on February 7, 2011, prior to the Budget Committee Public Hearing session, the First Selectman’s Budget will be presented at 6:00 P.M. and The Board of Education Budget will be presented at 6:30 P.M. Mr. Walko stated that there may be further discussion regarding the Tax Collector’s suggestion to reschedule the date of the meeting at which the BET sets the mill rate, May 16, 2011, to give more time to ensure that the tax notices are sent out in a timely fashion.

   Upon a motion by Mr. Simon, seconded by Mr. Pellegrino, the Board voted 10-0-0 to approve BET Budget Calendar as amended.

Approval of OPEB Actuarial Report

Mr. Mynarski presented the OPEB Actuarial Report to the Board, and stated that Mr. Woollacott, from Hooker & Holcombe, Inc. gave a presentation at last week’s Budget Committee meeting. Mr. Simon shared comments regarding the liability decline from $101 million to $51 million, assets were $16.3 million, the unfunded liability was $35 million, and the OPEB fund assets are currently over $21 million. Mr. Simon also stated that with continued work on changes within healthcare, the liability can be brought down to the $45 million range and the unfunded liability will be in the $25 million range, also the annual required contribution this year is $3.661 million and is projected to go up to $3.722 million for next year.

   Upon a motion by Mr. Simon, seconded by Mr. Pellegrino, the Board voted 10-0-0 to approve the OPEB Actuarial Report, for the period starting July 1, 2010.
Retirement Board – Contract Approval

Mr. Pellegrino stated that the Retirement Board wishes to enter into a contract with AUDAX Management Co., LLC, for the purpose of making an investment in a mezzanine fund being sponsored by the company, that fund being AUDAX Mezzanine Fund, Inc.

Mr. Walko stated that this did not come to his attention until late Friday, which made it too late to change the Agenda through the Town.

Upon a motion by Mr. Pellegrino, seconded by Mr. Simon, the Board voted 9-1-0 (Ms Barton opposed) to take up this item, which was not on the regular Agenda.

Mr. Pellegrino commented that the item came at the last moment due to the successful conclusion of lengthy and detailed negotiations between the Town Law Dept. and the Investment Management Company. Mr. Pellegrino stated that the Retirement Board wishes to make a $5 million investment in AUDAX Mezzanine Fund III and then gave an overview of the investment plan and strategy. Mr. McLaughlin gave an explanation for the delay for the request, registration requirements, and an overview of the investment agreement and fund. A discussion followed regarding the timing of the request, requirements, and investment opportunities. Ms. Barton opposed the request because the Investment Advisor to AUDAX--a subsidiary of AUDAX--was not a registered investment advisor under Federal law, nor was there any requirement in the prospectus for the investment advisor to become registered. In addition, Ms. Barton objected to the lack of an independent custodian.

Upon a motion by Mr. Pellegrino, seconded by Mr. Finger, the Board voted 8-2-0 (Ms. Barton, Mr. Ramer opposed) to approve the Contract between the Retirement Board and AUDAX Management Co., LLC, in order to invest in the AUDAX Mezzanine Fund, Inc.

APPROVAL OF MINUTES

BET Regular Meeting, December 20, 2010

Upon a motion by Mr. Pellegrino, seconded by Mr. Simon, the Board voted 9-0-1 (Mr. Ramer abstained) to approve the Regular Meeting Minutes of the BET from December 20, 2010.

ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 7:49 P.M.

Respectfully submitted,

Maria Bocchino, Recording Secretary