MINUTES of the regular meeting of the Board of Estimate and Taxation held on Tuesday, January 25, 2016 in the Cone Room, Town Hall, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:35 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Michael S. Mason, Chairman
Arthur D. Norton, Vice Chairman
William Drake, Clerk
John Blankley
Mary Lee A. Kiernan
Elizabeth Krumeich
James Lash
Leslie Moriarty
Jill K. Oberlander
Jeffrey S. Ramer
Leslie L. Tarkington
Nancy Weissler

Selectmen: Peter Tesei, First Selectman

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; Gene McLaughlin, Assistant Town Attorney

Mr. Mason opened the meeting by welcoming Board members to the first meeting of the new term and noted that there were no action items for consideration.

ASSESSOR’S REPORT

Ms. Elliot commented on highlights of her Department’s monthly report including that there was one week left for Greenwich property owners to schedule an informal hearing on their 2015 revaluation; and that, a second, final assessment notice will be sent to all homeowners at the end of February. She noted that a great amount of information was available to homeowners and as a result many more members of the public were visiting her office with questions on their property evaluation. Ms. Elliot reported that the new 2015 State Motor Vehicle assessment system had a number of issues with its data which were in the process of being resolved so that correct vehicle tax statements could be sent to vehicle owners on time. In response to Mr. Norton’s question about pending real estate tax litigation, Ms. Elliot replied that one case had been resolved.
Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Assessor’s Report.

COMPTROLLER’S REPORT

Mr. Mynarski provided highlights from his written monthly report: 1) the CAFR had been sent to the State Office of Policy & Management on time; 2) all three financial rating agencies, Moody’s, Standard & Poors and Fitch, had given Greenwich a triple-A rating and sales of General Obligation Bonds and BANs enjoyed favorable interest rates; and, 3) congratulations were offered to the Working Group on the Parsonage Cottage Loan Modification Project’s approval by the RTM which now awaited only the final sign-off by the Board of The Housing Authority of the Town of Greenwich.

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

ACCEPTANCE OF THE TREASURER’S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR DECEMBER 2015

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

BET Standing Committee Reports

Audit Committee - Mr. Norton reported that the five-year contract with the current external auditor would be expiring at the end of June, 2016. He expected to be providing the BET with the plan for internal audits by the next BET meeting.

BET Liaison Reports

None

BET Special Project Team Reports

Central Fire House – Mr. Mason reported that he had toured the new facility under construction and had been advised that it was 65% complete with $275,000, or 2%, of the Contingency Fund having been spent. All trades were working on the internal and external structure with a projected completion date of November 2016. He commented that the lease on the Holly Hill Fire Department space would be expiring December 31, 2016.

NEW BUSINESS

- Retirement Board Investment Approval Process and Proposed BET Procedure

On behalf of the Investment Advisory Committee, Mr. Drake indicated that the responsibilities of the Retirement Board and the BET in the approval process were designed under the Charter to be complementary, but the actual execution had become duplicative. This had caused general dissatisfaction expressed by the BET, the Retirement Board, and the Town Controller. In the previous BET term, the Investment Advisory Committee unanimously approved a proposed new BET Procedure intended to provide a solution, which was provided in the meeting packet. The proposed Procedure rests on two legal foundations: the Town Charter
and the September 10, 2013 opinion of the Law Department from Assistant Town Attorney Gene McLaughlin. The proposed Procedure had benefited from the review and drafting suggestions of Attorney McLaughlin, who provided assistance to the Investment Advisory Committee in the preparation. He indicated that the I.A.C. had voted unanimously in the new term to submit the proposed Procedure again to the BET for a first reading, but not a vote today.

Ms. Tarkington began the discussion by noting that this Procedure would be reviewed by the Law Committee, as Mr. Drake had previously suggested. Mr. Mason asked Mr. McLaughlin to comment on the Procedure. Mr. McLaughlin noted that the Procedure was consistent with the Charter and the 2013 opinion. Mr. McLaughlin discussed the custodial and trustee roles under the charter and some of the current Retirement Board matters under examination by the Law Department. Responding to Ms. Kiernan's question, he noted that under the proposed Procedure 1) the BET, the IAC and the Law Committee would continue to have a role in review of investment agreements for a variety of private equity investment scenarios; 2) the BET would continue to evaluate whether the Retirement Board fulfilled its role as "a prudent investor"; and 3) the BET would retain responsibility for the proper administration of the financial affairs of the Town.

Mr. Drake asked that the BET members communicate any proposed alternative wording of the Procedure for the Committee meeting on February 2.

- **Review and Approval of 2016 BET Reference Book**

Mr. Norton offered that the Policy & Procedure Committee, after minor editorial changes, approved and recommended the 2016-2018 Reference Book.

Mr. Ramer moved four amendments to the Reference Book, each of which was seconded by Ms. Kiernan.

1. **Amendment #1:** to change the text in the 2016 BET Reference Book's "Organization & Powers" section on page 10, to read: "The Retirement Board shall designate (and approve any agreement with) a corporation trustee for the safekeeping and investment of system funds and securities."

   Discussion took place to clarify the intention of Charter section 208(a).

   The Board voted 11-1-0 to postpone a vote on this amendment until the Board's consideration of the BET Procedure proposed by the IAC, at the February BET meeting. (Opposed: Ramer)

2. **Amendment #2:** to change the text in the 2016 BET Reference Book's "Organization & Powers" section on page 18, to read: "Items may be added to the Agenda at the request of four members of the BET, communicated to the Chairman at least twenty-four hours prior to the meeting."

   Discussion took place on the number of BET members required to add items to Agendas of various types of meetings. Board members continued their discussion stating their positions.
The Board voted 6-6-0 to amend the Reference Book procedure to provide that four BET members could add Agenda items 24-hours prior to a meeting. Motion failed. (Opposed: Weissler, Norton, Drake, Mason, Lash, Tarkington)

Upon a motion by Ms. Kiernan, seconded by Mr. Ramer, the Board voted 6-6-0 to amend the Reference Book procedure to provide that six BET members could add Agenda items 24-hours prior to a meeting. Motion failed. (Opposed: Weissler, Norton, Drake, Mason, Lash, Tarkington)

3. **Amendment #3**: to revise the text in the 2016 Reference Book’s “Organization & Powers” section at page 22, the first paragraph, to read: "The BET shall have standing committees, liaisons, and special project teams as identified below. Each Caucus shall appoint at the biennial Organizational BET Meeting one or more BET members from among their Caucus membership to serve in equal political representation on each standing committee. Liaisons and special project teams may be established at the biennial Organizational BET Meeting or on an ad hoc basis, in the same way. Each Caucus shall consult with the other, concerning proposed appointments."

Board members discussed this amendment and the appointment process.

The Board voted 6-6-0 to amend the Reference Book procedure regarding changing the assignment appointment authority from the Chair to the Caucus. Motion failed. (Opposed: Weissler, Norton, Drake, Mason, Lash, Tarkington)

4. **Amendment #4**: to revise the ninth paragraph in the “Policies & Practices” section to read: "The BET shall consider the Budget recommended and presented by the BET Budget Committee at a meeting of the BET on or before May 5th of each year, in accordance with section 22(b) of the Charter. Approval of that proposed Budget and approval of any amendments to that proposed Budget shall require seven affirmative votes of the Board in accordance with section 22(c) of the Charter. The Budget, as the same may have been so amended and approved, shall be submitted to the RTM in accordance with section 23 of the Charter."

Discussion: took place on the question of changing a majority vote to approve the Budget to seven affirmative votes. Board members continued their discussion stating their positions.

The Board voted 4-8-0 to amend the Reference Book procedure regarding the number of votes needed to approve an appropriation. Motion failed. (Opposed: Weissler, Norton, Drake, Mason, Lash, Tarkington, Kiernan, Krumreich)

Upon a motion by Mr. Norton, seconded by Mr. Drake, the Board voted 12-0-0 to accept the BET 2016-2018 Reference Book with the inclusion of the amended list of Committee assignments.

**OLD BUSINESS**
Mr. Mason changed the time of the September 19th BET meeting from 6:30 P.M. to 5:30 P.M. so that BET members could attend the RTM meeting scheduled for the same evening.
Approval of the BET Meeting Minutes

Approval of the BET Meeting Minutes of the BET Meeting of January 11, 2016

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Regular BET Meeting Minutes of January 11, 2016.

Approval of the BET Meeting Minutes of the BET Meeting of December 15, 2015

Mr. Drake inserted the word "bond" to clarify an omission in the draft minutes.

Upon a motion by Mr. Drake, seconded by Ms. Tarkington, the Board voted 8-0-4 to accept the Regular BET Meeting Minutes of December 15, 2015 with this clarification. (Abstain: Krumiech, Oberlander, Lash, Moriarty)

CHAIRMAN’S REPORT

Mr. Mason advised the Board that a vacancy had occurred on the Retirement Board; after interviewing three candidates, Mr. Joseph Pellegrino was appointed. He reminded members that at 6 pm on Monday, February 1st the presentation of the First Selectman’s Budget and the Board of Education Budget presentation by Dr. McKersie and Ms. Erickson would commence. A Public Hearing would follow.

Mr. Norton announced that Mr. David Ormsby had just retired as Chairman of the Nathaniel Witherell Board and asked all to express thanks for his years of service. Mr. Laurence Simon was elected the new Chairman of the NW Board.

ADJOURNMENT

Upon a motion by Ms. Krumiech, seconded by Ms. Oberlander, the Board voted 12-0-0 to adjourn at 8:07 P.M.

The next Regular Meeting of the BET is scheduled on Tuesday, February 16, 2016 in the Town Hall Meeting Room at 6:30 P.M.

Respectfully submitted,

Catherine Sidor, Recording Secretary

William Drake, Clerk of the Board

Michael S. Mason, Chairman