

MINUTES of the regular meeting of the Board of Estimate and Taxation held on Tuesday, February 21, 2006 in the Town Hall Meeting Room, Greenwich, CT.

The Chairman, Peter J. Tesei, called the meeting to order at 7:04 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

Peter J. Tesei, Chairman
Robert S. Stone, Vice Chairman
Alma Rutgers, Clerk
William Finger (after sworn in)
James Himes
Edward T. Krumeich
Michael Mason
Arthur D. Norton
Laurence B. Simon
Leslie Tarkington
Stephen G. Walko

Board Member Ex-Officio: Peter Crumbine, Selectman

Absent: Nancy Barton

Staff: Peter Mynarski, Roland Gieger, Finance Department; Ted Gwartney, Robert Shipman, Assessor's Office; Ed Gomeau, Town Administrator; Sherry Krieger, Department of Human Resources; Sanford Anderson, Mike Puterbaugh, Fire Department

Other: Pam Frederick, Chairman RTM Finance Committee; Betsey Frumin, Chairman RTM District 9

The first order of business was to fill a vacancy created by the resignation of Kathryn Guimard, who served on the Board for just over ten years. Mr. Tesei noted that she was a member of the Audit, Human Resources and Investment Committees and served as an Education Liaison and a Public Safety Liaison. The Democratic Caucus unanimously recommended William Finger to fill the vacancy. Mr. Finger served as a member of the Greenwich Board of Parks and Recreation. He is a graduate of the University of Pennsylvania and Fordham Law School.

Upon a motion by Ms. Rutgers, seconded by Mr. Simon, the Board voted 10-0-0 to appoint William Finger to the Board of Estimate and Taxation.

The Oath of Office was administered to Mr. Finger by Edward Krumeich.

ROUTINE APPLICATIONS:

LAW-1 LAW- Release of Conditions- \$450,000

Request for release of conditions:

\$450,000	to	A140-51920	Release of Conditions
\$450,000	from		Reinstatement of Funds

FD-2 FIRE-Additional Appropriation-\$35,961

Request for additional appropriation:

\$17,761	to	A20551010	Regular Salary
\$18,200	to	A205-51070	Night Shift Differential
\$35,961	from		Contingency

ED-1 BOARD OF EDUCATION- Approval to Use - \$67,000

Request for approval to use:

\$67,000	to	Z6801792-59830-26134	Glenville Playground and Sign
\$67,000	from		Gift

ED-2 BOARD OF EDUCATION-Approval to Use- \$9,000

Request for approval to use:

\$ 2,250	to	A6200968-51060	IS Dundee School
\$ 2,250	to	A6200968-51310	IS Dundee School
\$ 2,250	to	A6200468-51060	New Lebanon School
\$ 2,250	to	A6200468-51310	New Lebanon School
\$ 9,000	from		Grant

ED-3 BOARD OF EDUCATION- Additional Appropriation- \$3,919

Request for additional appropriation:

\$ 3,919	to	A6201791-53100	Teaching Supplies
\$ 3,919	from		Contingency

ED-4 BOARD OF EDUCATION-Additional Appropriation-\$13,000

Request for additional appropriation:

\$13,000	to	A6501792-54050	Maintenance of Buildings
\$13,000	from		Contingency

Upon a motion by Ms. Rutgers, seconded by Mr. Walko, the Board voted 11-0-0 to approve the routine applications.

REGULAR APPLICATIONS:

FD-1 FIRE- Transfer- \$224,500

Request for Transfer:

\$224,500	to	A205-51100	Overtime Services
\$100,000	from	A201-52210	Municipal Water Service
\$ 40,000	from	A202-51450	Prof/Other Services
\$ 15,000	from	A202-51490	Prof/Other Services
\$ 39,900	from	A205-53550	Mech Supplies/Sm Tools
\$ 29,600	from	A205-53600	Fire Hose

Mr. Walko explained that this transfer comes from five accounts.

Mr. Norton spoke to the commitment of the volunteer corps of the fire department, and specifically the storm of February 11 and 12 when paid personnel were brought in on an overtime basis instead of utilizing the volunteers.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 11-0-0 to approve the requested transfer of funds.

HUMAN RESOURCES COMMITTEE ACTIONS & REPORT-APPROVAL OF EMPLOYEE HEALTH CARE BUDGET STATUS REPORT

Sherry Krieger indicated that she was prepared to answer any questions concerning the monthly report prepared by Maureen Kast.

Upon a motion by Mr. Simon, seconded by Mr. Walko, the Board voted 11-0-0 to accept the Health Care Budget Status Report.

ASSESSOR'S REPORT

Mr. Gwartney summarized the Assessors Report. The Grand List has grown by 62% as reflected in the revaluation. His recommendation is to change the revaluation cycle from every five years to every two years. Mr. Tesi said that the Board will take this up in April 2006.

The Assessors office is accepting applications for the Elderly Tax Credit.

Mr. Gwartney noted that the numbers in the litigation section of his report were incorrect and asked that Board members ignore that section.

In response to a question from Mr. Krumeich, Mr. Gwartney referred to his report on how to handle property going from taxable to tax-exempt and said that he had met with members of the Greenwich Land Trust to provide information on what the statutes require.

Mr. Krumeich suggested referring the handling of property going from taxable to tax-exempt to the Law Committee, as it is a change in policy. He said there should be a discussion of the interpretation of the law and the process by which a change in policy is accomplished.

Mr. Tesei said that the General Government Liaisons as well as the Town Attorney should also meet with Mr. Gwartney to review the change in policy. Mr. Gwartney said he would welcome this opportunity.

Upon a motion by Mr. Mason, seconded by Ms. Tarkington, the Board voted 11-0-0 to accept the Assessor's Report.

BET COMMITTEE & LIAISON REPORTS

Audit Committee- Robert Stone

Mr. Stone reported that the Audit Committee met on February 9, 2006. The partner from McGladrey and Pullen in charge of the account for the Town of Greenwich attended the meeting to review the Comprehensive Annual Financial Report (CAFR) for fiscal year July 1, 2004 to June 30, 2005. The firm issued a clean report with no reservations of any kind. One minor issue was the town's lack of a policy and procedures manual. The Comptroller has been asked to continue development of a manual.

McGladrey and Pullen were completely satisfied with the cooperation they received from the staff of the Finance Department as well as other town departments. The Audit Committee voted unanimously 4-0 to accept the report.

A second item taken up by the Audit Committee was a report that Mr. Stone delivered concerning the Retirement Board, to which he is a BET Liaison. Last December, the Retirement Board decided, for reasons of good cause, (poor performance relative to a benchmark, and certain management changes within the firm) to terminate their relationship with the money manager having discretionary authority over a segment of the retirement systems portfolio, at years end totaling \$15 million. The manager had been advised of the termination around December 19, 2005. That firm had continued to exercise authority over the assets, which Mr. Stone finds inconsistent with good practice. He has indicated to Michael Pagliaro, Retirement Board Chairman, his feeling that the Retirement Board should be more proactive in dealing with the situation. The Audit Committee suggests that Mr. Stone and Mr. Simon, as Retirement Board Liaisons, continue to pursue that matter with that Board as well to suggest that the Retirement Board adopt a policy to handle such situations in the future.

Law Committee- Michael Mason

Mr. Mason reported that the Law Committee met on February 17, 2006.

There were no pending claims for this month.

The 2006-2007 Budget Resolutions were reviewed with the Town Attorney, including the resolution(s) concerning the "Pay Plan," and more discussion will follow in the Budget Committee.

The committee discussed adherence to the Town Charter with regard to the agreement between the town and Mr. Fox's law firm. Mr. Fox and Mr. Mynarski were to look into this and get back to the Law Committee with their findings.

Also discussed was the matter of control of commitments relating to the Board of Education. Mr. Fox's opinion, which is in its final stages, reflects agreement with previous town attorneys that the BET, under town charter, maintains control of commitments with the BOE, as with all appointing authorities, in the matter of transfers.

Health and Human Services- Leslie Tarkington

Ms. Tarkington presented her report to the Board. She and Ms. Rutgers, as Health and Human Services Liaisons, met with Don Fritz, Chairman of The Nathaniel Witherell's Finance Committee on January 27, 2006 regarding TNW's objectives for enterprise accounting and/or an Enterprise Fund. Mr. Fritz reported that the task of the Enterprise Working Group is to allocate costs accurately.

Detailed government cost reports are approximately 40 pages, averaging 30 inputs per page, totaling 1,200 entries. TNW bills 71,120 days per year of which 55,400 days are reimbursed by the government. The accounting format used by the town is not user friendly to TNW for the purposes of government reports. TNW's use of industry accounting software will help to mitigate this issue.

TNW must retain documents that support its Medicare and Medicaid daily rates until government audits are completed for each billing year. These requirements may exceed the town's standard for document retention.

Detailed cost allocation information, now being finalized by the Enterprise Working Group, is also necessary if an Enterprise Fund is to be established.

The TNW Board approved a Resolution calling for the establishment of an Enterprise Fund at its January 2006 meeting. TNW Board Chairman, Ron Dreskin, delivered the Resolution to the First Selectman. The Resolution may have to go to referendum in November 2006.

The Resolution and a Business Plan were to be delivered for presentation to the BET, but were not available by the deadline for inclusion in the BET Board package. The Business Plan can be viewed on the town website through the TNW link, and each Board member received a copy of the Resolution at this meeting.

Mr. Simon asked that, if this was to be a topic for future meetings, a hard copy of the Business Plan be provided. Mr. Tesei said that this topic will be addressed at the March or April meeting.

In response to a question from Mr. Walko regarding the process, a timeline and whether the plan is to go to referendum, Ms. Rutgers said that, to her knowledge, no one from TNW is addressing these questions, and that it seems to have been turned over to the First Selectman's office. A referendum may or may not be necessary.

In response to a question from Mr. Tesei, Ms. Tarkington said that it is necessary to improve the accounting and the allocations in order to have better information on which to base billings for Medicaid and Medicare, and to be able to produce data for annual audits.

Mr. Krumeich said the BET would need to approve an Enterprise Fund and that the BET and the Comptroller should address this.

Mr. Gomeau said that this is being treated as a Charter revision issue by the First Selectman's Office. The First Selectman's Office is looking into whether or not it must go to referendum. The process calls for review by the Board of Selectman, then the BET, then the RTM.

Glenville School Building Committee – Peter Tesei

Mr. Tesei reported that the Glenville School Building Committee met on the previous Friday, February 17, 2006, but that he was unable to attend the meeting. His understanding is that they have received three responses to their proposal for construction and design, and have scheduled interviews for the first week in March.

COMPTROLLER'S REPORT

Mr. Mynarski presented his report to the Board, and offered to answer any questions Board members might have.

Mr. Tesei thanked the staff of the Finance Department for the work they have done in preparing the July 1, 2004-June 30, 2005 Comprehensive Annual Financial Report (CAFR). In particular, Anthony Giavanone was thanked for the work he did.

In response to a question from Mr. Walko as to the status of the work of the Condemnation Commission on the Milbrook and North Mianus sewer assessments, Mr. Mynarski reported that

while the Commission is behind schedule, Milbrook is on schedule for a September 1, 2006 assessment. North Mianus is still in the audit stage, and verification from Public Works has not yet been received. Mr. Walko asked for a more detailed description as to status in the Comptroller's report next month.

Mr. Tesei shared with the Board his concerns regarding the utilization of space in Town Hall, especially his concern about inadequate space for the Finance Department. Lack of storage and inadequate conference space are just two of the shortcomings. At this time, the Finance Department is located in three separate places in Town Hall, on two floors.

Mr. Stone asked for it to be noted that under the "Internal Audit" section in the Comptroller's Report his request that an audit be performed on the financial contract between the Town of Greenwich and the Old Greenwich Yacht Club for rental of the Chimes Building was a request made on behalf of the Audit Committee.

Mr. Stone said he would also like to have an outline of direct expenditures on the Outcome Based Budgeting (OBB) initiative over the past couple of years.

Upon a motion by Mr. Norton, seconded by Mr. Mason, the Board voted 11-0-0 to accept the Comptrollers Report.

ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIODS OF JANUARY 1, 2006--JANUARY 31, 2006

Mr. Simon pointed out that a greater return was being realized in the short term investment fund than with U.S. Trust, and asked if funds can be moved, or if there is an obligation to put funds into U.S. Trust. Mr. Mynarski responded that the portion assigned to U.S. Trust and Vanguard was done through a request for proposal. Mr. Simon suggested a meeting of the Investment Committee to address what the best solution for the town is.

Mr. Stone observed that we are looking at the effective current return, which is only part of the total picture on which to evaluate U.S. Trust. Mr. Simon said he was not judging the outcome, but rather suggesting a process.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 11-0-0 to accept the Treasurer's Report.

APPROVAL OF BET MINUTES

Regular BET Meeting Minutes- January 18, 2006

Upon a motion by Mr. Walko, seconded by Mr. Stone, the Board voted 10-0-1, with Mr. Finger abstaining, to approve the Minutes of the Regular Meeting of the BET from January 18, 2006.

OFFICER'S REPORT

Mr. Tesei said that, in light of the change in Board membership, the Liaison positions require reconfiguration:

- Mr. Himes and Mr. Walko are Education Liaisons
- Mr. Finger and Mr. Mason are the Parks and Recreation Liaisons
- Mr. Finger and Mr. Tesei are the Public Safety Liaisons

The Selectman's Parking and Traffic Committee needs a Democratic Liaison to join Mr. Stone. Ms. Rutgers said she would discuss this with the Democratic Caucus.

Mr. Tesei reminded the Board that the FY 2006-07 Budget Amendment forms were e-mailed to Board members. The deadline to get proposed amendments to Mr. Gieger is Friday, March 3.

The Public Hearing on the budget is scheduled for Monday, March 6, 2006, and the Board will take action and decide on the 2006-07 budget on March 8, 2006.

In response to a question from Mr. Simon, Mr. Tesei said that there might be a need for a Special Meeting of the BET to discuss the Resolutions. Mr. Mason said that the idea of a Special Meeting to be held after the Public Hearing on March 6 was put forward because Ms. Barton was out of town until March 5. He said that the Resolutions had been reviewed in greater depth than in past years. Mr. Krumeich and Mr. Walko were in agreement that there did not need to be a Special Meeting, but that there was need for discussion and that the Town Attorney should be present. It was agreed that, unless four members request a Special Meeting, the Resolutions will be discussed on March 8.

Mr. Tesei asked Mr. Gieger to send out the amendment form again, with three amendment examples.

Mr. Gieger said that he will be sending out budget revisions that will include rankings and project numbers for the capital projects.

NEW BUSINESS

Discussion of Sense of Meeting Resolution regarding WGCC Business Plan

Mr. Tesei reviewed the history of what has brought the proposed resolution before the BET. There has been recent discussion about relocating a town department to the Western Greenwich Civic Center (WGCC). Part of the funds for renovation of the WGCC came from private donations and contributions from the residents of the Glenville Community. When the BET approved funding for renovating the Western Greenwich Civic Center, it required that a business plan be developed. The business plan was submitted, outlining the prospect for revenue from various tenants. One prospective tenant was to be a daycare provider. Mr. Siciliano, Director of

Parks and Recreation, has attempted to find a suitable daycare provider, but his efforts have been unsuccessful. Since the renovation has moved along, and a daycare provider has not been found, the First Selectman, Mr. Lash, raised the prospect of using the daycare space to relocate the Department of Social Services. The general feeling in the Glenville community is that when the funds were raised, they were raised for civic and community use, not for use by a town department. After a meeting, convened by RTM District 9, to solicit community input, it was determined that the sentiment of the community is that every effort should be made to fulfill the original plan, which includes child daycare in its programming.

The proposed resolution has come before the BET because Mr. Lash has said that the BET holds the Department of Parks and Recreation to the original business plan that calls for revenues of \$100,000 to the town from the rental to the childcare provider. The objective of this resolution is to allow the Director of Parks and Recreation the flexibility to negotiate the best lease he can to provide for the use of the building as a community resource that includes a daycare center.

Mr. Norton moved the following sense of the meeting resolution:

“It is the Sense of this Board of Estimate and Taxation that the Director of Parks and Recreation negotiate the best lease possible consistent with the original business plan and the planned use of the building as a community resource with a day care center.”

Mr. Walko seconded the motion, and discussion followed.

Mr. Simon said that when this resolution was drafted, there were points that he and Mr. Norton tried to include:

- This building is town owned even though there were private funds used in its renovation. The Town, in its sole discretion, can decide on the use of the building.
- There are no current monetary or fiscal conditions regarding what the town can or cannot do.
- There is no past condition that would prevent daycare use.
- Negotiating the best lease possible consistent with the original business plan serves the needs of the community.

Mr. Krumeich said that it was not a good idea for the BET to pass sense of the meeting resolutions. He said that the BET had never placed a condition on funds for the WGCC having anything to do with a particular business plan. There was nothing to prevent the plan from being modified. He said that this proposed resolution presented the danger of micromanagement.

Mr. Stone asked for clarification from Mr. Gomeau regarding whether or not the town is constrained to contract only with a non-profit daycare provider. Mr. Gomeau said that there was no constraint. This was a public policy issue. There was a sensitivity regarding profit-making entities. He said that, in Mr. Stone's words, the field has been "opened up."

Ms. Rutgers said that she would support a sense of the meeting resolution that focused only on the financial aspects of the situation that were within the purview of the BET, although she agreed with Mr. Krumeich that the BET had never conditioned funding for renovation of the

WGCC on a business plan, nor on any specific provisions in the business plan. She said that programmatic aspects for the use of the building are a function of the Department of Parks and Recreation and not the BET, and that the BET should not be perceived as dictating program to the Department of Parks and Recreation. She made a motion to amend the original motion to drop the last part of the draft after the words "business plan", so that it reads "It is the sense of this Board of Estimate and Taxation that the Director of Parks and Recreation negotiate the best lease possible consistent with the original business plan." She said that the important point to make is that the BET is not holding the Department of Parks and Recreation to revenues in the original business plan, and that this plan could always be modified.

Mr. Simon seconded Ms Rutgers' motion. Discussion followed.

Mr. Norton spoke against the amendment, saying that the original motion was in the spirit of what the Board of Selectmen had approved.

Mr. Tesei said that he generally agrees with Mr. Krumeich regarding the appropriateness of the BET passing sense of the meeting resolutions, which it almost never does, but stressed that what is to be accomplished here is to draft a Board communication to the Director of Parks and Recreation, who reports to the First Selectman, that clarifies the Board's position in relation to what another town official perceives it to be. Mr. Lash has made it known that he thinks the BET has put a condition on funding for the WGCC that impedes the ability to find a daycare provider to occupy space in the facility.

Mr. Krumeich made the point that the Board never conditioned the approval of funding for the WGCC on the specifics of the business plan. It is clear in reviewing minutes from past meetings that this was not done at all. Mr. Krumeich expressed his concern that the Board is acting outside of its purview. He said that we were putting ourselves in a box because of a rumor that we did something that we never did. He said that, even as amended, the resolution could be construed as the BET wanting the Department of Parks and Recreation to issue a lease as in the business plan. He said that the BET is not involved in leases, which are entered into by the Board of Selectmen and approved by the RTM.

Mr. Stone offered an alternative to a sense of the meeting resolution. He suggested sending a communication to the First Selectman stating that there is no record of the BET having placed any income requirement on a possible daycare operation at WGCC.

Ms. Rutgers agreed with Mr. Stone's proposed alternative, and said she would withdraw her motion to amend if there was a consensus among Board members to go along with Mr. Stone's suggestion.

Mr. Norton asked that three conditions would have to be met in such a communication for him to agree to withdraw the original motion: 1) not to have a need for an income stream provided by specific programs in the building; 2) that it meets the planned use of the facility and 3) that daycare is addressed by this suggestion.

Mr. Stone suggested the following wording to be used in the communication:

“This is to confirm that we have and can find no record of the prior BET’s having placed any income requirement on a possible daycare operation. As such, we trust that the town will negotiate the best lease possible consistent with the desired operation.”

This wording was not acceptable to Mr. Norton. Therefore, the Board proceeded to vote on Ms. Rutgers motion to amend.

Upon a motion by Ms. Rutgers, seconded by Mr. Simon, the Board voted 4-7-0 against amending the original resolution as moved by Ms. Rutgers. Voting in favor were Ms. Rutgers and Mssrs. Himes, Krumeich and Simon. Voting in opposition were Ms. Tarkington, Mssrs. Norton, Mason, Stone, Finger, Tesei and Walko.

The Board then proceeded to vote on Mr. Norton’s original motion.

Upon a motion by Mr. Norton, seconded by Mr. Walko, the Board voted 6-5-0 to approve the original motion proposed by Mr. Norton. Voting in favor were Ms. Tarkington and Mssrs. Tesei, Walko, Simon, Mason and Norton. Voting in opposition were Ms. Rutgers and Mssrs. Stone, Krumeich, Simon and Finger.

There being no further comment, Mr. Tesei said that a letter will be drafted to the First Selectman and copied to Mr. Siciliano and Mr. Gomeau, stating that the Board took this action.

Acceptance of July 1, 2005 EFI Actuarial Valuation for Retirement System of the Town of Greenwich

This document was reviewed as part of the budget process.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 11-0-0 to accept the July 1, 2005 EFI Actuarial Valuation for the Retirement System of the Town of Greenwich.

Presentation of the Next Steps for Outcome Based Budgeting

Mr. Walko said that the Budget Committee discussed the topic of Outcome Based Budgeting (OBB) at their regular meeting in February. At that time, the Comptroller indicated that there was a lack of confidence in the newly rolled out MUNIS application software and the Finance Department was having difficulty moving forward with OBB as a result. It has become clear that the current OBB process is not working. Broader issues of strategic planning need to be focused on. On behalf of the Budget Committee, Mr. Walko recommended to the Chairman that he create an ad hoc committee in consultation with the First Selectman, comprised of BET

members, Finance Department staff and the Town Administrator to examine the direction we should be taking with regard to OBB.

Mr. Tesei agreed with Mr. Walko that considerable resources have been dedicated to this effort and good faith has been exercised, but that we need to examine the direction we should be taking with regard to OBB.

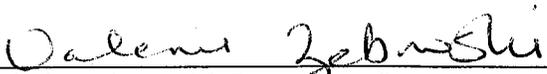
Acceptance and Approval of Fiscal Year July 1, 2004 to June 30, 2005 CAFR

Upon a motion by Mr. Stone, seconded by Ms. Tarkington, the Board voted 11-0-0 to accept the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year July 1, 2004 to June 30, 2005.

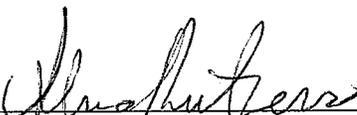
ADJOURNMENT

Upon a motion by Mr. Norton, seconded by Mr. Finger, the Board voted 11-0-0 to adjourn at 8:49 P.M.

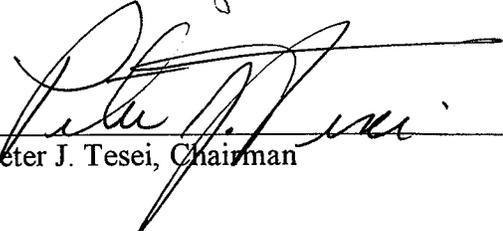
Respectfully submitted,



Valerie Zebrowski, Recording Secretary



Alma Rutgers, Clerk of the Board



Peter J. Tesei, Chairman