MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, March 25, 2019, in the Town Hall Meeting Room, Greenwich, CT.

Jill Oberlander, BET Chair, called the meeting to order at 6:37 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: Lauren Elliott, Assessor; J. Wayne Fox, Town Attorney; Roland Gieger, Budget Director, Finance Department; Peter Mynarski, Comptroller; Abby Wadler-Shin, Assistant Town Attorney, Law Department; Howard Richman, Tax Collector; Nataliya Yemets, Acting Treasurer

Selectmen: Peter Tesei, First Selectman

TAG: Michael Miller, Treasurer and Board Member, Transportation Association of Greenwich

Fire: Robert Kick, Assistant Fire Chief

The Chair welcomed BET Members and attendees to the March meeting of BET.

Ms. Oberlander asked Board members to take a moment to acknowledge the untimely loss of Kathryn Guimard, a former member of the BET, who served from November 1995 to February 2006. Kathryn was recognized for her work on the Board, including the IT infrastructure and Human Resources policies among other projects, and for her service to the community.

The Chair requested a motion to change the Order of Business to move the Appointment of the Town Treasurer under New Business to be the first item on the Agenda.

Upon a motion by Mr. Weisbrod, seconded by Mr. Duus, the Board voted 12-
0-0 to change the Order of Business to move “Appointment of the Town Treasurer” under New Business to be the first item on the Agenda. Motion carried.

Mr. Weisbrod reported that the new Town Treasurer has been selected by unanimous vote of the Search Committee. He proposed the following resolution:

Resolved, that the Board of Estimate and Taxation, by vote taken at a duly noticed meeting held on March 25, 2019, hereby appoints Nataliya Yemets as the Treasurer of the Town of Greenwich effective March 25, 2019, and shall hold office at the pleasure of the Board and until a successor shall be appointed. The appointment is subject to the provisions of Article I, Section 13 (a) of the Town Charter. The Treasurer’s salary shall be set at $125,000.

Upon a motion by Mr. Weisbrod, seconded by Mr. Drake, the Board voted 12-0-0 to approve the appointment of Ms. Yemets as Town Treasurer pursuant to the Resolution set forth herein above. Motion carried.

Mr. Weisbrod introduced Ms. Yemets and congratulated her on her appointment as Treasurer of the Town of Greenwich. Mr. Weisbrod thanked Ms. Yemets for the diligence, dedication and skill that she will bring to her new position. Ms. Yemets thanked the Finance Department team, her mentor and predecessor, former Treasurer Kathleen Murphy, and the BET for the recognition and trust they were placing in her. Mr. Mynarski commented that Ms. Yemets brought unique experience to the position and cited initiatives taken as Acting Treasurer with a new staff to increase interest revenue and savings including a laddered Certificate of Deposit program and collaborating with the Chief Accountant to transition the Town’s Accounts Payable from checks to transactions through the Automated Clearing House (ACH), which is a network that coordinates electronic payments and automated money transfers. In addition, Ms. Yemets negotiated a credit offset program related to the Town’s 22 JP Morgan accounts.

EXECUTIVE SESSION –Discussion of Pending Litigation

Ms. Oberlander called for an Executive Session to discuss Pending Litigation.

Upon a motion by Ms. Krumeich, seconded by Ms. Fassuliotis, the Committee voted 4-0-0 to enter Executive Session at 6:44 P.M. Motion carried.

Upon a motion by Ms. Moriarty, seconded by Mr. Ramer, the Committee voted 4-0-0 to exit Executive Session at 7:22 P.M. Motion carried.

The Committee exited Executive Session at 7:22 P.M.

Ms. Oberlander commented that there were seven requests for Budget Adjustments and that two were identified as NON-ROUTINE on the Meeting Agenda. The Clerk of the BET moved the two NON-ROUTINE items.

Requests for Budget Adjustments

NON-ROUTINE APPLICATIONS
Ms. Krumeich, Chair of the Law Committee, reported that the Committee voted 2-0-0 to approve the settlement amount.

Upon a motion by Ms. Krumeich, seconded by Ms. Fassuliotis, the Board voted 12-0-0 to approve the appropriation of $45,000 in settlement of Naranjo vs. Town of Greenwich. Motion carried.

Ms. Krumeich reported that the Law Committee voted 2-0-0 to approve the settlement amount.

Upon a motion by Ms. Krumeich, seconded by Ms. Fassuliotis, the Board voted 11-0-1 (Abstained: Oberlander) to approve the appropriation of $20,000 in settlement of Musacchio vs. Ferretti. Motion carried.

Ms. Oberlander requested that ROUTINE Application FD-2 Round Hill Fire Station Renovation identified as ROUTINE on the Meeting Agenda, be changed to a NON-ROUTINE application.

Upon a motion by Ms. Krumeich, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the change of Application FD-2 Round Hill Fire Station Renovation from ROUTINE to NON-ROUTINE. Motion carried.

Ms. Moriarty reported on the status of the three Conditions that relate to the title, the condition of the property, including the septic system, and the agreement with the Town. Ms. Moriarty referenced a memorandum from Special Counsel Wetmore in which he opined that the title insurance policy or policies relating to the land on which the Round Hill Volunteer Fire Company, Incorporated (RHVFC) Fire Station is located insures against enforcement or attempted enforcement of the right of reversion of title. In addition, the Department of Health reviewed the information on the septic system and indicated their belief that it would be sufficient for the renovation project, although their final approval will be dependent upon the full application. Ms. Moriarty reported that the agreement with the Town has not been completed, but information was presented on the claw-back provision. The agreement is dependent on BET and RTM approval of a revised funding stream and will be competed at that time. Ms. Moriarty indicated that the Budget Committee voted 4-0-0 to approve the Application to release the Conditions on the $100,000.

Upon a motion by Ms. Krumeich, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the Release of the Conditions on $100,000 for design work. Motion carried.

ROUTINE APPLICATIONS

Ms. Oberlander asked the BET Clerk to move the following ROUTINE Applications.
Ms. Moriarty reported that the Budget Committee voted 4-0-0 to approve the use of the donation received by the Greenwich Athletic Department of $12,820 from the Greenwich High School Diamond Club for the new scoreboard installed on Field 2, the baseball diamond, and expressed the Town’s gratitude for the donation. There would be no additional costs for the installation.

Ms. Moriarty reported that the Budget Committee voted 4-0-0 to approve the use of the donation of $22,969 from the Greenwich Athletic Foundation (GAF) for a live stream video service to broadcast home games. The donation is for 1-year of the 3-year contract. The contract is cancelable at the end of one year or the Town may choose to fund the additional two years. The Committee expressed its gratitude for the donation.

Ms. Moriarty reported that the Budget Committee voted 4-0-0 to recommend release of the Conditions on Architectural and Engineering Services (A&E). Ms. Moriarty indicated the Administration had utilized $460,000 of the $700,000 appropriation and demonstrated a need for the balance of the A&E allocation to complete the preparation for the summer 2019 construction work.

Ms. Moriarty reported that the Budget Committee voted 4-0-0 to recommend release of the Conditions on Transportation Association of Greenwich’s (TAG’s) Fourth Quarter FY2019 Budget of $73,250 based on the receipt by the BET of a quarterly report evidencing the progress being made in operating performance and the positive cash flow.

Upon a motion by Ms. Krumreich, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve ROUTINE Applications ED-13, ED-15, ED-14 and TA-3. Motion carried.

ASSESSOR’S REPORT

The Assessor reported that as of March 25, 2019, the Board of Assessment Appeals (BAA) completed its duties for the 2018 Grand List, that is, all residential and commercial hearings and determinations. BAA notices of decisions were sent to residents who sought appeals. Appeals can still be filed; however, none have been received to date. Only 92 completed applications have been received for Senior and Disabled Tax Relief so far, but historically approximately 200 applications are received. Most applications are received after tax day, April 15th. Responses to the Request for Proposal (RFP) for a firm to carry out the 2020 Revaluation (pursuant to State Statute) are due by March 26, 2019. The Departmental use of Quality Data System (QDS) was discussed, and the Board was advised that new reports are in the process of being formulated through the QDS modules.
Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Assessors report. Motion carried.

COMPTROLLER’S REPORT

The Comptroller drew the Board’s attention to the following items:

- **Cyber Security Taskforce** - after reviewing potential areas of concern across Town departments, the Taskforce is recommending an increase of $150,000 to the budget for a professional cyber risk consultant to be proposed at the BET Decision Day meeting on March 28, 2019.

- **Transition of TOG accounts payable to ACH** - The Treasurer and Chief Accountant have proposed a savings initiative to reduce the majority of 2,080 monthly transactions to electronic ACH transactions and reduce fees from $.50 to $.25 per transaction, as well as suggesting a savings of $360 per month for another type of transaction.

- **Software RFP** – There were two responses to an RFP to replace the Town’s financial management applications software, Munis®, however, only Tyler Technologies, the owner of Munis, is deemed qualified. The Town received one bid from a firm with no municipal experience. The Town is currently negotiating a contract renewal with Tyler Technologies. The Board suggested additional training for employees to expand their capabilities on the system, and investigation of a module for managing capital construction projects.

- **Internal Audit** – When asked about the status of the report for the Office of the Town Clerk, the Comptroller stated that a report had not been formally issued yet, but that a clean review with no recommendations is expected to be reported.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to accept the Comptroller's Report. Motion carried.

TREASURER’S REPORT

Ms. Oberlander asked for questions about the Treasurer’s Report showing investment portfolio activity for February 2019. Hearing none, the Chair noted that the BET had received the Report and would forward it to the Audit Committee to be filed for review by the outside auditor.

BET Standing Committee Reports

- **Human Resources** - Human Resources Committee Chairman Turner reported that the HR Committee voted 4-0-0 to recommend an increase of 1.5% for the management and confidential (M&C) employee salary with the possibility of an additional 0.5% awarded for high performance at the discretion of the employee's manager.

BET Liaison Reports – none

BET Special Project Team Reports - none

OLD BUSINESS
• Acceptance of June 30, 2018 Annual Report

The BET expressed thanks to Ms. Elaine Brown for the consolidation and assembly of the 2018 Annual Report.

Upon a motion by Ms. Tarkington, seconded by Ms. Moriarty, the Board voted 12-0-0 to accept the June 30, 2018 Annual Report. Motion carried.

• Vote to Accept Fund Balance Policy

Ms. Moriarty, Chair of the Special Committee on the Debt and Fund Balance Policies, commented on the extensive work of the Special Projects Team (the Debt and Fund Balance Special Committee) and reaffirmed that no substantive changes were made to the Fund Balance Policy, but the text was revised for clarity. Ms. Moriarty noted that the Fund Balance had grown from $35.0 million in 2015 to $55.0 million in 2018 because of unexpected revenue, conservative budgeting for expenses and fewer unanticipated capital needs.

Upon a motion by Ms. Moriarty, seconded by Mr. Turner, the Board voted 12-0-0 to adopt the revised Fund Balance Policy. Motion carried.

• Vote to Accept Debt Policy

Ms. Moriarty, Chair of the Special Committee on the Debt and Fund Balance Policies, commented that the Special Projects Team discussed the change in the size of the capital forecast and the impact it would have on the existing funding structure. The Special Projects Team identified there are three variables that impact the debt model: size and timing of capital investment, the capital tax levy and debt maturities. The Special Projects Team, with the help of the Budget Director, used the three criteria in the construction of various models to identify the impact of the BOE Master Facilities Plan and the Town's Capital Improvements under different scenarios. Scenarios included changes in debt maturities, including 20-year debt financing for a portion of the debt, and changes in the capital tax levy. Ms. Moriarty indicated the Special Projects Team voted 4-0-0 to amend the Debt Policy to incorporate language changes for (1) flexibility in the timing of permanent debt placement after either one or two years of bond anticipation notes, and (2) clarity.

Ms. Moriarty made a motion, seconded by Mr. Turner, to accept the revised Debt Policy as approved by the Special Committee on the Debt and Fund Balance Policies on February 12, 2019.

Ms. Moriarty offered an amendment, seconded by Mr. Ramer, to further modify the Debt Policy as follows: (i) in the third paragraph of Section D Debt Structure, deleting the word "preferred" from the sentence which reads as follows: "For the General Fund, the preferred financing model historically has been for amortization of debt to be over a period not greater than five years...", and adding the following sentence after that sentence: "Going forward, debt maturities shall consider the 15-year capital forecast and debt model, and evaluate the use of longer term maturities up to 20 years to address major infrastructure investments and remediation projects."; and (ii) modifying the third affordability target for Net Debt as a percentage of the
Grand List from 0.55% to 0.75% under Section C Affordability Targets.

Ms. Moriarty supported her motion by indicating the challenge of addressing the Town’s infrastructure needs without the consideration of longer-term maturities. The 15-year capital plan as proposed by the First Selectman increased the value of identified projects from $600 million to $1.6 billion. While all of these projects may not be ultimately supported by the BET or RTM or may not be accomplished in the timeframe, the need exists to be able to address infrastructure needs without overly burdening the taxpayers and without jeopardizing the Town’s AAA rating. As such, the proposal references the need to review the long-term capital plan and evaluate the use of longer-term maturities when determining the bonding strategy. Recognizing that use of longer term debt will increase the amount of outstanding debt, the affordability target calculating Net Debt as a percentage of the Grand List was proposed to be increased to 0.75% from 0.55%. Ms. Moriarty referenced the comments of the Town’s financial advisor for bond issuance that he believes this change would not jeopardize the Town’s AAA rating.

Board members spoke for and against the proposed changes to the Debt Policy. Those in favor of the revised Debt Policy noted that the BOE Master Facilities Plan and Town capital plan put forward this year were much larger than earlier capital budgets. It was appropriate to consider long term financing when the need was evident and there was an overriding interest of the public to address the issues such as infrastructure and school facilities in need of renovations. If the Board does not consider long term financing, then the Board would be giving the BOE an indication that the Master Plan cannot go forward as recommended by architectural consultants. Some argued that there needs to be some mix of short term and long term financing and that the Board should be able to consider such flexible financing.

Those opposed felt there was no need to change the Debt Policy at this time, and debt is a risk of any government. The Board of Education was unlikely to implement the Master Plan any faster and the Board of Education would not be able to manage successfully all the projects. One member acknowledged that long term financing is often connected to the life of the asset, but felt this was dangerous and placed a burden on the next generation of taxpayers.

The vote on the Amendment was 7-6-0 to amend the Debt Policy by (i) in the third paragraph of Section D Debt Structure, deleting the word “preferred” from the sentence which reads as follows: “For the General Fund, the preferred financing model historically has been for amortization of debt to be over a period not greater than five years.....”, and adding the following sentence after that sentence: “Going forward, debt maturities shall consider the 15-year capital forecast and debt model, and evaluate the use of longer term maturities up to 20 years to address major infrastructure investments and remediation projects.”, and (ii) modifying the third affordability target for Net Debt as a percentage of the Grand List to 0.75% from 0.55% under Section C Affordability Targets. (Opposed: Drake, Duus, Fassuliotis, Hess, Mason, Tarkington). The Chair cast a tie-breaking vote. Motion carried.

Upon a motion by Ms. Moriarty, seconded by Mr. Turner, the BET voted 7-6-0 to approve the Debt Policy as amended. (Opposed: Drake, Duus, Fassuliotis, Hess, Mason, Tarkington). The Chair cast a tie-breaking vote. Motion carried.
NEW BUSINESS

• Appointment of the Town Treasurer (see Minutes prior to Budget Adjustments)

• M&C Salary Increases for Fiscal 2019-2020

The Human Resources Committee Chairman Turner reported that the HR Committee voted 4-0-0 to recommend an increase of 1.5% for management and confidential employee (M&C) salaries with the possibility of an additional 0.5% awarded for high performance at the discretion of the employee’s manager. Mr. Turner explained that the Committee discussed the pressures on the Town’s budget given the financial constraints at the State level and elimination of State funding to the Town, the recent changes in Federal tax laws, the regional cost-of-living index, the Town’s proposed budget in the coming year, and the impact of changes from a raise in salary on an employee’s total compensation package.

Mr. Turner made a motion, seconded by Ms. Fassuliotis, to approve the recommendation of the Human Resources Committee to increase by 1.5% the M&C employee salaries with the possibility of an additional 0.5% awarded for high performance at the discretion of the employee’s manager.

The Board discussed the HR Committee recommendation for M&C salary increases. Ms Oberlander proposed returning to the thresholds for increases in M&C salaries from Fiscal Year 2018, noting that the Human Resources Department previously advised that there was compression in the salaries which did not give an opportunity for supervisors to incentivize M&C employees. The First Selectman supported the increase in M&C Compensation Pool by 2.5% for FY 2019-2020 to recognize the work done by M&C employees who are leaders in Town government. He stated it would be beneficial to explain expectations and rigor expected in performance through the performance review process.

Upon a motion made by Ms. Oberlander, seconded by Ms. Krumeich, to amend the motion of the HR Committee to increase the M&C Compensation Pool up to 2.5% for FY2019-2020 and to allocate this Pool into a base increase and a “High Performance” increase according to the following principles approved by the Board in 2018:

 o A 1.5% increase for M&Cs with performance ratings of “exceeded objectives” or “met objectives” as long as their salary was below grade maximum.

 o An additional “High Performance” increase for those who consistently go beyond standard expectations and stand out as a performance leader and/or demonstrate outstanding performance in a special role or project. An additional 0.5% can be awarded for those M&C employees who meet either or both criteria in an excellent manner or 1.0% for those who do so in an exceptional manner.

The Board voted 7-3-2 (Opposed: Fassuliotis, Tarkington, Turner) (Abstained: Hess, Mason) on the motion as amended, to increase the M&C Compensation Pool up to 2.5% for FY2019-2020 based on the principles set forth above. Motion carried.
The Board then took up the Motion as amended and voted 9-0-3 (Abstained: Fassuliotis, Tarkington, Turner). Motion carried.

• Resolution – Elected Officials Salaries for Calendar Years 2020 & 2021

The Human Resources Committee Chairman Turner reported that the HR Committee voted 4-0-0 to recommend a salary increase for each Elected Official at the rate of 2% for 2020 and 1.5% for 2021. He noted that the Committee considered comparable salaries for other municipalities prior to voting on the increases.

  o First Selectman

Mr. Turner made a motion, seconded by Ms. Tarkington, to approve the First Selectman’s salary increase by 2% ($144,840 to $147,737) beginning January 2020 for calendar year 2020 and by 1.5% ($147,737 to $149,953) beginning January 2021 for calendar year 2021.

Upon a motion to amend made by Ms. Moriarty, seconded by Ms. Tarkington, the Board voted 12-0-0 to change the effective date of the salary increase for the First Selectman to December 1, 2019, and December 1, 2020, respectively. Motion carried.

When asked why the percentage was different in the first year from the second year, it was explained that the HR Committee’s rationale was to reflect the cost of living rate increase in the second year.

Upon a motion to amend by Mr. Ramer, seconded by Ms. Moriarty, the Board voted 3-4-5 to increase the salary for Elected Officials by 2% on December 1, 2020, for calendar year 2021 ($147,737 to $150,692), rather than the 1.5% proposed. (Opposed: Drake, Fassuliotis, Tarkington, Turner) (Abstained: Duus, Hess, Krumeich, Mason, Weisbrod). Motion failed.

The vote on the motion by Mr. Turner, seconded by Ms. Tarkington, was 10-0-2 (Abstained: Weisbrod, Mason) to approve the First Selectman’s salary increase by 2% ($144,840 to $147,737) beginning January 2020 for the calendar year 2020 and by 1.5% ($147,737 to $149,953) beginning January 2021 for the calendar year 2021. Motion carried.

  o Selectmen

It was noted that the salaries for the Selectmen are 10% of the salary for the First Selectman.

  o Town Clerk

Upon a motion by Mr. Turner, seconded by Mr. Ramer, the Board voted 11-0-1 (Abstained: Fassuliotis) to increase the salary of the Town Clerk by 2% beginning January 1, 2020, for calendar year 2020 (from $104,002 to $106,082) and 1.5% beginning January 1, 2021, for calendar year 2021.
Chair’s Report

Ms. Oberlander thanked BET members for their time and attention at the Special meetings scheduled last month. The Chair reminded members of the upcoming meetings: Public Hearing on Tuesday, March 26, 2019, at 7:00 P.M; the BET Budget Workshop on Wednesday, March 27, 2019, at 5:00 P.M.; and the BET Decision Day meeting on Thursday, March 28, 2019, at 4:00 P.M. Meetings to discuss the approved budget with the RTM Districts will be assigned shortly.

Approval of the BET Meeting Minutes

Upon a motion by Ms. Krumeich, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the Minutes of the BET Regular Meeting held on February 19, 2019. Motion carried.

Upon a motion by Ms. Krumeich, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the Minutes of the BET Special Meeting held on February 26, 2019. Motion carried.

Upon a motion by Ms. Krumeich, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the Minutes of the Joint Meeting of the BET and BOE held on February 26, 2019. Motion carried.

Adjournment

Upon a motion by Mr. Duus, seconded by Ms. Fassuliotis, the Board voted 12-0-0 to adjourn the meeting at 9:57 P.M. Motion carried.

The next meetings of the Board of Estimate and Taxation will be the Public Hearing to be held on Tuesday, March 26, 2019, the Budget Decision Meeting to be held on March 28, 2019, and the Regular Meeting of the BET to be held on Monday, April 22, 2019.

Respectfully submitted,

[Signature]
Catherine Sidor, Recording Secretary

[Signature]
Elizabeth K. Krumeich, Clerk of the Board