

MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, September 12, 2005 in the Town Hall Meeting Room, Greenwich, CT.

The Chairman, Peter J. Tesei, called the meeting to order at 7:06 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
Peter E. Berg
Jara Burnett
Janice C. Gardner
Kathryn Guimard
Michael Mason
Laurence B. Simon
Valeria P. Storms
Stephen G. Walko

Board members absent: Edward Krumeich

Ex-officio Board members: First Selectman James A. Lash; Selectman Peter Crumbine

Staff: Peter Mynarski, Roland Gieger, Finance Department; Ted Gwartney, Robert Shipman, Assessor's Office; Marueen Kast, Department of Human Resources; Sue Wallerstein, Board of Education; Nancy Brown, Office of Community Development

Other: Ginny Day, Byram Shubert Library; Art Norton, Leslie Tarkington, incoming BET members; Leslie Moriarity, PTA Council

Mr. Tesei noted that Elaine McIntyre, a long time attendee of BET meetings, passed away in August and asked for a moment of silence in her memory.

Mr. Tesei opened the public hearing on the Community Development Block Grant Budget for 2006, the second increment of the five year consolidated plan, at 7:08 p.m. At this time, Mr Tesei acknowledged the tragic passing last week of Justin Scott Brown, the grandson of Community Development Director, Nancy Brown. On behalf of the members of the Board of Estimate and Taxation, Mr. Tesei expressed condolences and heartfelt sympathy to Mrs. Brown and her family.

ROUTINE APPLICATIONS

TA-1 ASSESSOR – Additional Appropriation - \$68,000

Request for additional appropriation:

\$68,000	to	A135-51410	Prof. & Other Special Services – Audit/Accounting
\$68,000	from		Contingency

ED-1 BOARD OF EDUCATION – Approval to Use - \$500

Request for approval to use:

\$500	to	A6201740-5295	Miscellaneous Professional Services
\$500	from	A135-51010	Grant

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

Request for approval to use:

\$1,500	to	A6200568-51060	Cos Cob School
\$ 500	to	A6201068-51060	North Mianus School
\$2,000	from		Grant

PW-1 DEPARTMENT OF PUBLIC WORKS – Additional Appropriation - \$25,000

Request for additional appropriation:

\$25,000	to	R317-59600-24099	OG/Riverside RR Rehab
\$25,000	from	A174-51300	CT DOT Railroad Fund Balance

HD-1 HEALTH DEPARTMENT – Approval to Use - \$58,253.68

Request for approval to use:

\$50,285.00	to	F403-51300	Temporary Salaries
\$ 3,000.00	to	F403-53010	Office Supplies
\$ 1,121.68	to	F403-54150	Maintenance – Furniture & Fixtures
\$ 3,847.00	to	A901-57050	Social Security
\$ 58,253.68	from		Public Act Funds – Grant

HD-2 HEALTH DEPARTMENT – Approval to Use - \$32,662

Request for approval to use:

\$26,316	to	F4031-51100	Overtime
\$ 2,100	to	F4031-51920	Transfer from Other Departments
\$ 2,072	to	F4031-53250	Medical Supplies
\$ 2,174	to	A901-57050	Social Security

\$32,662 from Bioterrorism/Emergency Preparedness Planning Grant

HD-3 HEALTH DEPARTMENT – Approval to Use/Additional Appropriation - \$40,883

Request for approval to use and additional appropriation:

\$ 5,000	to	F187-51300	Temporary Services
\$19,000	to	F187-51490	Prof.& Other Spec. Serv. – NOC
\$ 1,000	to	F187-53520	Parts for Boats
\$ 500	to	F187-53750	Highway Materials
\$15,000	to	F187-59260	Marine Equipment
\$ 383	to	A901-57050	Social Security
\$40,883	from	Reserve Restricted Receipt Account	– Shellfish Permits

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

At this time Mr. Tesei acknowledged Commissioner of Public Works, Marcos Madrid, who is attending his last BET meeting before moving abroad. On behalf of the BET Mr. Tesei wished Mr. Madrid well in his future endeavors. Mr. Madrid received a round of applause.

REGULAR APPLICATIONS

A-1 FIRST SELECTMAN – Approval to Accept and Use - \$938,718

Request for acceptance and use:

\$938,718	to	Q197-59900	CDBG Budget
\$900,000	from		HUD Entitlement – CDBG Budget
\$ 38,718	from		Repayment of Loan – CDBG Budget

At this time Mr. Tesei acknowledged the work of Ms. Gardner and Ms. Rutgers as BET representatives to the Community Development Advisory Committee.

Upon a motion by Mr. Walko, seconded by Ms. Gardner, the Board voted 11-0-0 to close the public hearing on the Community Development Block Grant Budget for 2006 at 7:14 p.m.

Upon a motion by Ms. Storms, seconded by Ms. Burnett, the Board voted 11-0-0 to approve the Community Development Block Grant Budget for 2006 and the Community Development Block Grant Resolution.

**HUMAN RESOURCES COMMITTEE ACTIONS AND REPORT – APPROVAL
OF EMPLOYEE HEALTH CARE BUDGET STATUS REPORT**

Director of Human Resources, Maureen Kast, said that the written report to the BET, which was a two-month report for the months of July and August 2005, does not reflect an accurate picture of how health care costs will play out over the next year. She said that July and August are not representative months, and that to annualize based on only two months, especially non-representative months, distorts the picture. Ms. Kast said that, by December, the figures should be on target relative to the budget.

In response to a question from Mr. Walko regarding the MC employees and the three tier coverage, Ms. Kast said that they were put in the three tier coverage as a whole group and that this was a global decision on town strategy made through the Human Resources Department, not a decision that involved the appointing authorities.

Mr. Simon noted that, in looking at the pharmacy for OPEB, there were significant numbers of persons that did not go to the three tier coverage. He said that we need to rebuild the budget based on peoples' actual enrollment.

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

ASSESSOR'S REPORT

The Assessor, Ted Gwartney, extended a thank you to members of the BET for the flowers sent to him in the hospital when he suffered a broken shoulder.

Mr. Gwartney highlighted his written report.

The office is focused on the revaluation. There are still problems with the MUNIS system. A meeting is scheduled for the end of September to resolve some of these problems.

There have been 154 property splits this year. The appraisers are doing final work on new construction for the upcoming Grand List. New personal property accounts have been set up, and funding was requested for additional personal property audits.

The office is still working on vehicles that are registered out of state and is looking at 500 beach card applicants who have motor vehicles that are not registered in Greenwich.

Larry Simon will help draft several press releases about the revaluation, and a meeting was held with Mike Sweeney and Neil Vigdor of the Greenwich Time. A television program for Channel 79 has been taped.

Three more superior court cases have been withdrawn.

Mr. Gwartney said that we are now entering the final review process in the revaluation as we look to get the values to where they should be on October 1, 2005.

The coin-operated printer is working out well and reduces front desk staff time.

Mr. Gwartney said that he has met with the Chickahiminy and Pemberwick neighborhoods. Meetings with the Rotary and the Northeast Greenwich Association are scheduled.

Mr. Gwartney pointed out that his written report includes the detailed schedule for implementing the 2005 revaluation. The report also includes a document showing the impact of the additional personal property audits, with the potential for collecting nearly a million dollars over three years.

In response to a question from Mr. Stone regarding unreported personal property, Mr. Gwartney said that anything not reported in the preceding three years is subject to a penalty. The penalty only goes back three years. The technique used is to look at what was reported to the Assessor along with the Federal income tax return that was filed. This is the method used.

In response to a question from Ms. Storms, Mr. Gwartney said that he will continue doing these personal property audits as long as the return is good. However, he hopes that eventually all the accountants in town will realize how serious the Assessor's Office is about this and, therefore, will do a better job of reporting.

Upon a motion by Mr. Stone, seconded by Ms. Burnett, the Board voted 11-0-0 to accept the Assessor's Report as submitted.

BET COMMITTEE AND LIAISON REPORTS

Audit Committee

Mr. Stone, Chairman of the Audit Committee, reported that the Audit Committee met on September 8. Attending this meeting were Mary Capwell, Deputy Superintendent of Schools; Alan Curtis, Director of Continuing Education; and Rich Calcavecchio, Director of Budget Systems of the Schools. The committee reviewed the July 18, 2005 internal audit of the town's Continuing Education Program. The audit was requested by the Superintendent of Schools and was triggered by the impending change of administrators of the program. While the audit resulted in some 'findings' concerning various procedures, Mr. Stone said that it was a "relatively clean" report that showed "no material deviations" from acceptable business practices or policies. The Administration concurs with the findings and is working toward compliance. However, the program has suffered a significant and steady decline in registration, classes and revenues over the past several years. The committee voted 3-0 to approve acceptance and distribution of the report. The committee also began, but did not have time to complete, the review of Internal Audit's July 8, 2005 memorandum concerning pension benefits calculations. The memo

reflected discrepancies with two of the records reviewed. The auditor found nothing to indicate that the data upon which the calculations are being made is inaccurate. Procedures are in place to guard against errors not being identified prior to payments being made.

Ad Hoc Committee on OPEB Fund

Mr. Walko, Chairman of the Ad Hoc Committee on the OPEB Fund, reported that the Ad Hoc Committee met on September 7 and reviewed the four primary areas of concern regarding the fund. The committee intends to meet at the end of September, or in early October, to finalize their report. The goal is to have a final report for the full BET at its regularly scheduled October meeting.

COMPTROLLER'S REPORT

Peter Mynarski, the Comptroller, highlighted his written report which covers a two-month period.

A two-day (10 hour) OSHA safety training course was held. Another session will be offered this fall. The risk manager and risk technician are working with Frenkel and Company. They are in the process of doing a claim review with CIRMA to determine if workers compensation claims are being handled in the most effective and efficient manner.

There is no Retirement Board Flash Report for August at this time. The July report was issued. Plan assets were valued at about \$309 million. The composite return was up 14.4% over the previous twelve months and 11.4% over the previous thirty-six months.

Mr. Mynarski said that he would send the August Retirement Board Flash Report to BET members when it becomes available.

The Retirement Board contracted with Charles W. Cammack Associates, Inc. to conduct a review of the Retirement Administration Office. The former Retirement Administrator claimed that the department was understaffed. The review by Cammack Associates has determined that the staffing is adequate. The Retirement Board is looking into retaining Cammack Associates to help complete the Summary Plan Document, which is a BET "subject-to-release" requirement. In response to another "subject-to-release" requirement, the Retirement Administration Office launched the estimator calculator project.

During the summer the Finance Department worked with the Board of Education on a variety of things, one of which involved payroll errors. With the help of the BOE's IT section, a Payroll Incident Reporting System is being developed to track errors or discrepancies by type, quantity, responsibility, and timeliness of resolution (or, if not resolved, the reason why). If this system proves effective, it will be expanded for use on a town-wide basis.

The survey requested by the Human Resources Committee to supplement the CCM data regarding municipal staffing levels has been completed. It has been sent to the members of the Human Resources Committee for their review and feedback.

The final year-end, but not audited, retained earnings for the OPEB Fund are \$13.762 million as of June 30, 2005. This is up from \$11.551 million on June 30, 2004. The Fund has been re-balanced to the 40% target for equities through the first week of September.

In response to a question from Mr. Walko regarding the status of the contracts for the Retirement Fund money managers, Mr. Mynarski said that the contract for ING/Clarion, a new manager, was sent to the Law Department where four questions were raised and was then sent back to the firm. Additional questions have been raised. He expects this contract to come to the BET in October.

Mr. Mynarski confirmed for Mr. Walko that this contract would first go to the BET Law Committee and that it is within the authority of the BET to vote on the money manager contracts. Mr. Tesei asked Mr. Mynarski to provide a summary of all the money managers and the terms of their contracts, so that the BET will know when the contracts are up for renewal. Mr. Mynarski said that the money managers are usually reviewed by the Retirement Board in August, but that the Board decided to defer this review to October. He said that he would provide the information requested by Mr. Tesei.

Mr. Walko commended the Finance Department for taking action to help the Inland Wetlands Office eliminate the backlog of unclaimed outstanding bonds posted and held on account by the town. Mr. Walko said he would like to be apprised of the final outcome of this effort.

In response to a question from Mr. Berg, Mr. Mynarski said that an update on Outcome Based Budgeting would be given to the BET as part of the budget process in January and February.

In response to a question from Ms. Storms, Mr. Mynarski said that the municipal personnel survey is finished and has been sent to the members of the Human Resources Committee and to Maureen Kast. The Human Resources Committee will review it and comment on it before it is distributed. Mr. Stone said that he had not yet seen the report and that the Human Resources Committee should review it first and identify areas for clarification prior to its general distribution. Mr. Stone said that it would be distributed when the Human Resources Committee determines that it is in a form for distribution.

Mr. Simon inquired as to the nature of the opinion that was being asked of the Law Department regarding the backlog of unclaimed outstanding Inland Wetlands bonds. Mr. Mynarski said that Finance had an accounting issue and that the Inland Wetlands Agency had enforcement and violations issues. The accounting department is working with Inland Wetlands. The Law Department is looking into whether the bond money can be used, for example, to hire persons to work on cleaning up the backlog. Mr. Mynarski

concurred with Mr. Simon that, should such use of the bond money be allowed from a legal point of view, no one could be hired without an appropriation from the BET.

Upon a motion by Mr. Walko, seconded by Ms. Burnett, the Board voted 11-0-0 to accept the Comptroller's Report as submitted.

TREASURER'S REPORT

Upon a motion by Mr. Simon, seconded by Ms. Storms, the Board voted 11-0-0 to accept the Treasurer's Report for July and August as submitted.

APPROVAL OF MINUTES

Upon a motion by Ms. Storms, seconded by Ms. Guimard, the Board voted 11-0-0 to approve the minutes of the Regular Meeting of the Board of Estimate and Taxation held on July 18, 2005.

OFFICER'S REPORT

Mr. Tesei reported that he, the First Selectman and the RTM Moderator interviewed two candidates for one of two citizen positions on the Retirement Board. The current Chairman, Michael Pagliaro, was reappointed for a four-year term. The vote was 2-1, with the RTM Moderator voting against the reappointment because he felt the appointment should go to someone with greater investment expertise.

Mr. Tesei reported that he received a letter dated August 18, 2005 from the Government Finance Officers Association notifying him that the CAFR for the fiscal year ending June 30, 2004 qualifies for a Certificate of Achievement in Financial Reporting. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. Mr. Tesei said that Mr. Mynarski will be receiving the Certificate of Achievement plaque in the near future.

Mr. Mynarski said that this was a continuation of excellence in Greenwich reporting. This is something Greenwich accomplishes every year. Mr. Mynarski acknowledged the outstanding work of his staff in making this possible. He said that Mr. Gieger was one of the reasons why Greenwich gets this award every year. He also wished to acknowledge the significant contributions of Mary Walczykowski, Karen Anthony and Roy Carey. Mr. Mynarski said that it is the staff that deserves the credit.

Mr. Tesei said that the BET also extends its appreciation and recognition to the staff and asked that the minutes so note.

Mr. Tesei said that since the last BET meeting, the BET candidate endorsements by the Town Committees for the November election have taken place and that there will be four new members coming onto the Board in January. He said that the four incoming members have been contacted and apprised of the meeting dates for the remainder of

2005. He said that the incoming members are encouraged to participate as we transition to the new Board that will be sworn in this coming January. He thanked Democratic Caucus Leader, Ms. Rutgers, for having been in touch with the two incoming Democrats.

OLD BUSINESS

Mr. Simon had asked that the item to seek clarification of the OPEB Resolution passed by the BET in June 2005 be put on the agenda.

Mr. Simon said that the Resolution passed in June called for investment in the equity portion of OPEB at the rate of \$500,000 per month, up to a 40% maximum. The clarification that needs to be made is that we should invest money up to a maximum of \$500,000 per month to get to the 40% maximum, not that we should invest exactly \$500,000 a month. The 40% is the number that is more binding than the \$500,000.

The Board concurred with the clarification sought by Mr. Simon.

NEW BUSINESS

Approval of Proposed 2006 Full BET Meeting Schedule

The Board reviewed the proposed 2006 BET calendar. Mr. Simon inquired about the date of the Organizational Meeting that was not on the draft calendar. Mr. Tesei said that he believed that the Charter stipulates that the Organizational Meeting should take place the first Monday in January. Because this Monday is a holiday in 2006, it was agreed that the Organizational Meeting will be on Tuesday, January 3, 2006. This amendment was made by consensus to the draft schedule (availability of the Town Hall Meeting Room was not known).

Upon a motion by Mr. Simon, seconded by Ms. Guimard, the Board voted 11-0-0 to approve the 2006 BET calendar (see attached).

Approval of Proposed BET Public hearing Date and Date for Decision Meeting

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 11-0-0 to hold the Public Hearing on the Budget on Monday, March 6 and the Decision Meeting on Wednesday, March 8.

Mr. Tesei asked Mr. Mynarski to ask Anne Giamarino to incorporate the amended calendar with the RTM meeting dates and submission deadlines as was done this year.

COMMENTS ON PROPOSED BUDGET COMMITTEE GUIDELINES FY 2006-2007

Ms. Storms summarized for the Board Draft #10 of the Budget Committee's proposed Budget Guidelines for FY 2006-2007, noting some of the changes made to the draft that

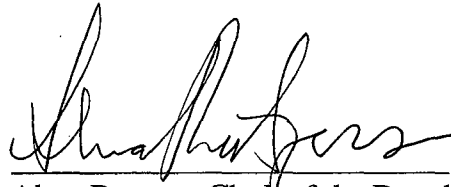
was under discussion at the September meeting of the Budget Committee. There were three minor changes made to that draft at that Budget Committee meeting, and two more substantive changes were made since the meeting. The more substantive changes involved language regarding the finding of efficiencies through consolidation of Board of Education and Town departments for non-certified functions and language concerning a transfer of town contributions to external agencies providing social services from the First Selectman's and Health Department budgets to the Department of Social Services budget.

Mr. Stone had proposed to Ms. Storms, via e-mail, a revision concerning staffing models for town departments, which proposal Ms. Storms read to the Board. This proposal had not yet been reviewed by the Budget Committee. Mr. Stone said that he would distribute his proposal to all Board members.

Ms. Storms requested that any proposals for revisions to the draft Guidelines by any individual member of the BET be submitted to her in writing, with specific language, no later than Friday, September 16, so that the Budget Committee would have time to incorporate changes into the document that will be before the BET when it votes on the Guidelines at its Special Meeting on September 21.

Mr. Tesei emphasized that the full BET approves the Guidelines and said that any member of the BET whose written change the Budget Committee chooses not to incorporate into the draft document can move his or her proposal for a vote at the Special meeting on September 21.

Respectfully submitted,



Alma Rutgers, Clerk of the Board



Peter J. Tesei, Chairman