



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Tuesday, September 19, 2017 in the Cone Meeting Room, 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 Norton, Vice Chairman
William Drake, Clerk
John Blankley
Elizabeth K. Krumeich
James A. Lash
Leslie Moriarty
Jill K. Oberlander
Jeffrey S. Ramer
Leslie L. Tarkington
Anthony Turner
Nancy Weissler

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; J. Wayne Fox, Town Attorney; Aamina Ahmad, Assistant Town Attorney; Caroline Beasley, Director Health Department

Selectmen: Drew Marzullo, Selectman

BOE: Gina Williams, Assistant Director Human Resources; Laura Erickson, BOE Member

Public: Andy Duus, BET 2018 Nominee; Karen Fassuliotis, BET 2018 Nominee; David Weisbrod BET 2018 Nominee; Howard Richman, 2018 Nominee Tax Collector; Steve Walko, Chairman, New Lebanon School Building Committee

Mr. Mason welcomed BET members, 2018 Nominees and attendees. He commented that an Executive Session might not be required, and proposed that if one might become necessary for further discussion of pending litigation, he would call for one at that time.

Mr. Mason asked for a motion to change the order of business to accommodate Guests.

Mr. Ramer made a motion to change the Agenda's Order of Business, seconded by Ms. Tarkington. The Board voted 12-0-0 to change the Agenda's Order of Business.

Old Business

- **New Lebanon School Building Update** - Mr. Walko advised the Board that all approvals needed from the State and Town were in place awaiting the Governor's signature on the 2017 – 2019 State Budget. He remarked that a Guaranteed Maximum Price had been achieved for the NLS budget, which includes a 3% construction manager contingency and a 5% Owner's contingency. He explained that contractors' bids were due to expire on September 23, but through negotiation, contractors had agreed to extend the bids until October 24th. If that deadline was missed, rebidding would become necessary and TOG's costs would escalate. At its next meeting, the BOE would consider policy on how to deal with the delay of approval of the State Budget, should it be decided that a placeholder would be needed on the RTM's October Meeting Call, by its call preparation deadline of September 29. RTM approval to request the release of the conditions on TOG's funding for NLS Project could then be sought at the October 23rd RTM meeting.

Approximately \$2 million has already been spent on the new building's planning. The Clerk of Works contract has not yet been awarded, since the State grant is not yet in place. Mr. Walko expressed concern about the potential loss of the Guaranteed Maximum Price if there was further delay signing the State Budget because several issues would impact the project: Gilbane, the construction management firm for the project, might be unable to negotiate another extension of the bids; construction under winter conditions might add \$75,000 to the cost of the project; and, students would probably not be able to move into the new building until Fall 2019.

New Business

- **BOE Grant-funded PPS position (non-instructional) request** – Ms. Weissler reported that the BET HR Committee approved the grant-funded clerical position for Pupil Personnel Service's position 4-0-0 at its most recent meeting. The HR Committee had reviewed the rationale for the request to hire a clerk, using funds available under the federal IDEA grant for special education services that would oversee the increasing number of requests for records and would enable the District to apply for Medicaid funding for some of the services it provides. Mr. Gieger had advised that since the BET and RTM approved the F18 Table of Organization, including Town and grant-funded positions, the BET needed to approve subsequent changes in any non-certified staff at the BOE. The HR Committee met with Mr. Stacey, BOE Director of HR, and Mary Forde, Director of PPS who indicated that the BOE would decide whether or not to include this position in its IDEA grant application for the following year (FY19) or terminate the position; the employee would qualify for unemployment benefits.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the action of the HR Committee in favor of the BOE's application.

Requests for Budget Adjustments

ROUTINE APPLICATIONS

Mr. Mason asked Mr. Drake to read the Routine requests for Budget Adjustments.

SE-3	First Selectman	Settlement
\$40,000	P935 57350	Milazzo v. TOG
SE-5	First Selectman	Settlement
\$75,000	P935 57350	Savariau v. TOG
HD-3	Health	Approval to Use
\$73,980.10 FY2016/2017	F403 & various object codes	Public Act Funds for

Upon a motion by Mr. Drake to approve SE-3, SE-5 and HD-3, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the requests.

NON-ROUTINE APPLICATIONS

SE-4	First Selectman	Settlement
\$12,000	P935 57350	Lachira v. TOG

Ms. Tarkington commented that the Law Committee and approved the \$12,000 Settlement 2-0. Mr. Lash reported the Budget Committee in Executive Session had voted 2-2 with debate.

Executive Session- Discussion of Pending Litigation

Mr. Mason asked for a motion to go into Executive Session to discuss litigation settlements.

Upon a motion by Mr. Lash, seconded by Ms. Tarkington, the Board voted 12-0-0 to enter Executive Session at 7:01 P.M.

The Committee exited Executive Session at 7:12 P.M.

Mr. Lash moved that Board accept the settlement of \$12,000 to satisfy the Lachira v. TOG application. The motion was seconded by Ms. Tarkington. The Board voted 9-3-0 in favor of the motion. (Opposed: Drake, Moriarty, Ramer)

ASSESSOR'S REPORT

Ms. Elliott reported that the Board of Assessment Appeals had received 95 Motor Vehicle Appeals of which 72 were settled for \$12,376.02. Ms. Krumeich asked if the previous year's State Motor Vehicle problems had been resolved, to which Ms. Elliott responded that the errors experienced due to the newly implemented CT DMV software that incorrectly sent MV tax bills to taxpayers in the wrong municipalities had been identified and resolved in the TOG's tax records. Several Personal Property Appeals had been settled. Mr. Norton asked about resolution of any pending appeals to which Ms. Elliott replied that 14 cases had been settled but that additional cases had been settled after the Assessor's monthly report had been prepared.

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 asked if the Board had any questions about topics in his monthly report. Ms. Oberlander asked Mr. Mynarski to update the Board on any anticipated items that might impact the Year-End Closing and prompt Management Comments on TOG Annual Audit. Mr. Mynarski itemized possible topics which might justify a Comment in the Auditor's Management Letter such as the details of the Tax receipts for the Bank Reconciliation; and, if any issues were unresolved from the Tax Collector's Office for June, July and August whether a Plan of Action to address outstanding issues had been developed. Mr. Ramer commented that he had sent a Memo to BET members about the Tax Collection issue and asked if intervention were to be needed, would it be by the BET or the Finance Department.

Mr. Mynarski commented that only 12 small reports that would reconcile data between TOG reporting systems of Quality Data and UNIS were outstanding which could be accomplished by the Finance Department's Chief Accountant. Although technically a "separation of duties" existed between the Tax Collector's Office and the Finance Department, best practices, internal controls and the installation of a cash collection machine were being implemented to resolve and discrepancies between the software system reports. He noted that the only area that might have impact on the Year-End Audit would be the minimal lost interest on amounts that were not deposited promptly into TOG's accounts. The Tax Collector needed to research approximately \$61,000 of revenue to be found among car tax, write offs and miscellaneous (clerical errors). Mr. Mynarski commented further that TOG had never had an Auditor's Management Letter comment that needed immediate attention. This year's Auditor visit would begin on September 25th with three weeks of field testing. Whereas the Finance department needs the bank reconciliation for Year-End Closing, it would be done within the next three weeks. There are expected to be no issue that would prompt Management Letter comments, however the State Single Audit Report might focus on items such as the theft in Parking Service Department, and on internal controls in the Police, Parking and Human Service Departments, which would be known on October 4th.

Mr. Mason commented that Mr. Pellegrino, a member of TOG's Retirement Board would succeed Mr. Chadwick as Chairman. Upon Neuberger Berman's assumption of investment responsibility for the Retirement System funds, the limitation of State Street's custodial reporting of one-time per month was deemed not frequent enough for NB. Because NB requires information daily about changes in order to manage TOG's Retirement Fund, an RFP for a new portfolio custodian may be needed.

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

Acceptance of the Treasurer's Report Showing Investment Portfolio Activity for August 2017

Upon a motion by Mr. Mason, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the Treasurer's Report.

BET Standing Committee Reports

Audit Committee – Mr. Norton commented that the date of the next Audit Committee meeting had been changed to October 4, 2017.

BET Liaison Reports

None

BET Special Project Team Reports

None

Old Business

None

New Business

- **Debt Policy Report** – Mr. Mason thanked Ms. Weissler and members of the Debt and Fund Policy Working Group for their work during the summer. For the Fund Balance Policy, Mr. Mason noted that the changes from the previous policy were not extensive. The Fund Policy sets a target of Unassigned Fund Balance of 5-10% of General Fund Budgeted expenditures. The current amount is 11.3%, slightly stronger than the target range.

Ms. Weissler made a motion to accept the Fund Balance Policy as proposed by the BET Debt and Fund Balance Policies Working Group. The motion was seconded by Mr. Ramer. The Board voted 12-0-0 to approve this motion.

The Board then took up the Debt Policy. Ms. Weissler commented that this policy had been updated periodically over the past years; currently the debt was projected not to exceed \$231.2 million through fiscal 2021. Mr. Norton commented that he was against establishing a Debt Policy because it was not needed by the rating agencies or as a borrowing discipline for TOG.

Mr. Norton made a motion to eliminate the debt policy, seconded by Mr. Ramer.

Mr. Mason commented that it was not the BET's procedure to consider two motions simultaneously. Ms. Weissler commented that the Debt Policy was a framework to thoughtfully manage debt balances and interest costs. Mr. Turner asked what the impact of having no Debt Policy would have on rating agencies' view of TOG future bonding activity, to which Mr. Mynarski responded that although it was not required, it showed good financial management practice, so his question was why eliminate it. Mr. Ramer suggested that if the Policy was a tool for discipline, he was concerned that it represented a standard which was violated periodically and so it was not wise to have one when TOG and the BET could discipline themselves. Mr. Turner suggested tabling or postponing

consideration of the Debt Policy because the impact on TOG's rating was unknown and should be further researched. Mr. Drake cautioned that to eliminate the Debt Policy after having one for a decade would be incomprehensible to the rating agencies and irresponsible.

Mr. Turner made a motion to postpone a voted on the Debt and Balance Fund Policy, seconded by Mr. Ramer. The Board voted 10-2-0 in favor of postponing the vote on the Debt Policy. (Opposed: Drake, Tarkington)

Mr. Mason asked that the Working Group prepare observations on best practices for the next BET meeting.

- **BET & BET Committees' 2018 Meeting Schedule** – Mr. Mason asked members of the Board to review the proposed dates in order to approve the 2018 schedule at the October meeting.

Approval of the BET Meeting Minutes

Ms. Krumeich proposed a slight amendment to the proposed July 13, 2017 minutes on the topic of the July Assessor's report and Car Taxes.

Upon a motion by Ms. Tarkington, seconded by Mr. Lash, the Board voted 12-0-0 to approve the Minutes of the BET Regular Monthly Meeting of the July 13, 2017 as amended.

Chairman's Report

Mr. Mason thanked BET members who attended the tour of the Byram Fire House and reminded the BET that repairs of the building have been considered for some time.

Adjournment

Upon a motion by Mr. Turner, seconded by Ms. Krumeich, the Board voted 12-0-0 to adjourn at 8:35 P.M.

The next Regular Meeting of the BET is scheduled for Tuesday, October 23, 2017 at 6:30 P.M. in the Cone Meeting Room.

Respectfully submitted,



Catherine Sidor, Recording Secretary



William Drake, Clerk of the Board



Michael S. Mason, Chairman