MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, November 21, 2016 in the Town Hall Meeting Room, Town Hall, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:34 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

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

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliot, Assessor; Robert Shipman, Assistant Assessor

Selectmen: Peter Tesei, First Selectman

BOE: James Hricay, Managing Director of Operations

Public: John Chadwick, Chairman, Retirement Board

Requests for Budget Adjustments

ROUTINE APPLICATIONS

<table>
<thead>
<tr>
<th>Number</th>
<th>Department</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR-1</td>
<td>Human Resources</td>
<td>Transfer</td>
</tr>
<tr>
<td>$12,129.00</td>
<td>A109 51940</td>
<td>RTM Budget Adjustment</td>
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Upon a motion by Mr. Drake, seconded by Ms. Kiernan, the Board voted 12-0-0 to approve the transfer of funds as a Routine Application.

<table>
<thead>
<tr>
<th>ED-1</th>
<th>BOE</th>
<th>Transfer</th>
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<tbody>
<tr>
<td>$ 50,000.00</td>
<td>A6501789 51430</td>
<td>Testing &amp; Remediation WMS fields</td>
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<table>
<thead>
<tr>
<th>SE - 9</th>
<th>First Selectman</th>
<th>Additional Appropriation</th>
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<tbody>
<tr>
<td>$12,822.27</td>
<td>P935 57350</td>
<td>Legal Settlement – The Hartford Financial Group a/s/o Levene v. TOG</td>
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The BET Law Committee voted 2-0 for this legal settlement at its September 7, 2016 meeting, upon a presentation by Abby Wadler. The claim is for property damage to the Levene’s vehicle by a Town of Greenwich dump truck.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the additional appropriation in settlement of litigation of The Hartford Financial Group & Levene v. TOG.

ASSESSOR’S REPORT

Ms. Elliot presented the Assessor’s Report, offering highlights that included finalizing the 2016 Grand List for the state’s filing deadline of December 31, 2016; and, suggesting that the supplementary Motor Vehicles list of approximately 10,000 vehicles would be ready in January.

Mr. Norton asked how litigations were proceeding, to which Ms. Elliot responded that all five of the outstanding 2014 cases were recently settled.

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

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to modify the Agenda to move earlier the presentation of the Assessor’s Office FY17-18 Budget & Operations Plan.

Ms. Elliot introduced the presentation of the Assessor’s Office FY17-18 Budget & Operations Plan by stating its goals and accomplishments. Mr. Ramer asked for clarification of the Department’s Capital Plan, which included the cost of the next Revaluation with the addition of an employee salary. Ms. Elliot explained that every Greenwich property must be physically inspected every 10 years, so her proposal was that a seasonal contract employee be hired to perform inspections from April to October and accomplish the task incrementally over the five-year period. The addition of one more person would allow the process to be completed by 2019. Mr. Ramer asked how the addition in the Capital Budget was needed when the manpower for the previous Reval had been in the Operations Budget. Mr. Ramer suggested that the supervisory control being suggested may not be consistent with a “contract employee” and asked whether this could create an unemployment cost. Ms. Krumeich asked if a “fly over” of properties would accomplish the same objective; Ms. Elliot responded that GIS mapping would be available by December which would reveal information that could be compared to Building Permits and the current footprint but was not a substitute for physical inspection as required by State Law. Ms. Tarkington asked if there were cost-efficiencies available by employing the most recent revaluation company, Tyler Technologies, separating the Residential and Commercial properties over the next three-year period, to which Ms. Elliot responded that the Board would have the opportunity to consider how
best to implement the inspection process and the corresponding appropriation during its February 2017 Budget meetings.

The BET liaisons to the Assessor’s Office, Jeff Ramer and Ms. Tarkington, had reviewed the Operations Plan, the Operating Budget, and the Capital Budget and were in agreement with the documents as submitted. The Department has completed its first Grand List following the Revaluation Year. The proposed budget will include the required physical evaluation required of all properties. The Department plans to complete that project over the next 3 years, with the final or 5th year, used for the October 1, 2020 revaluation. There are 3 key activities of this department: preparation of the annual Grand List and contact with the public, support for the BAA and the Law Department for the appeals process with the preparation of the revalued grand list every five years, and the physical review of properties every ten years. The Department’s operating budget is budgeted to increase at 1.3%, similar to inflation for the area which is 1.2% annually.

Upon a motion by Ms. Tarkington, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the Assessor’s FY17-18 Budget & Operations Plan.

COMPTROLLER’S REPORT

Mr. Mynarski advised the Board that the First Selectman and the Capital Improvement Projects (CIP) Committee would hold a Public Hearing on FY17-18’s proposed Capital Improvement Projects on December 19, 2016 in the Town Hall Meeting Room at 6:00 P.M.

He remarked that the Town would be going to market with Greenwich’s Bond issue on January 12, 2017 and asked for the BET’s preference on the use of the three (3) credit rating agencies (Moody’s, S&P and Fitch) or two (2) of the three, a topic to be discussed later in the meeting.

Upon a motion by Mr. Mason, 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 September 2016

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

Mr. Mason asked members of the BET to change the order of the Agenda’s business to move up the BET Standing Committee Reports after comments from the First Selectman on the CIP process.

BET Liaison Reports

CIP – Capital Improvement - Mr. Tesei commented on changes and additions to the CIP Committee membership: Mr. Andrew Herr, a member of the Greenwich Library’s Board of Trustees, is added to the Committee; Mr. Don Hamilton, RTM Member D-7, will replace Mr. Erf Porter, who recently resigned. Mr. Mason and Ms. Moriarty would be the BET liaisons to the CIP Committee. Mr. Tesei remarked that the first task would be to review the CIP projects already listed, and then interact with neighborhood associations to learn if other topics needed to be inserted before prioritizing the project list. The first CIP Public Hearing would take place at
6:00 P.M. in the Town Hall Meeting Room on December 19, 2016.

**BET Special Project Team Reports**

**Central Fire House** – Mr. Mason commented that work was proceeding with a goal of moving into the new facility by year-end.

**NEW BUSINESS**

**Approval of Retirement Board Investment in Exchange Traded Fund (ETF’s) Investments**

Mr. Drake opened the discussion by commenting that the Agreement submitted for the BET’s approval was the Retirement Board’s agreement with State Street Global Markets LLC. This agreement opened an account, which was intended primarily to hold ETFs. Investing in ETFs represents a change in execution, not a change in policy. The Retirement Board was already invested in a pooled account holding the Russell 3000 stocks, and holding an ETF representing the same Russell 3000 stocks would be an additional vehicle toward the same end. He further noted that the Law Committee had voted 2-0 to approve this account agreement with State Street and that the Investment Advisory Committee had earlier voted 4-0 to approve this account agreement.

On behalf of the Law Committee, Ms. Tarkington noted that Mr. McLaughlin (Assistant Town Attorney) had sent an email to the Law Committee which she read aloud and presented for insertion into the Minutes: "The Law Department letters to the Law Committee approving the above agreements were initially directed to approving the State Street Broker Agreement and participation through it in ETF securities governed by the BlackRock iShares Trust and Distribution Agreement. The Law Committee pointed out, however, that the main focus of approval of the iShares Trust and Distribution Agreements was the SEC review and regulation. The Committee passed a resolution that it recommended that the Broker Agreement be used only for publicly traded securities where both the issuer and the securities are regulated by the SEC. Wayne and I have discussed this and have decided to accept that recommendation and therefore the approval of the State Street Broker Agreement is expanded beyond this BlackRock iShares investment, for its use by the Retirement Board for investing in publicly traded securities where both the issuer and securities are regulated by the SEC."

Ms. Tarkington also read the additional resolution of the Law Committee on this item, which specified that the State Street Brokerage Agreement be used only for investments in publicly traded securities where both the securities and issuers are regulated by the Securities and Exchange Commission. Mr. Drake affirmed this important point. Mr. Ramer offered that he was in favor of approving the use of ETFs as a Retirement Board vehicle. He commented that he had read the letter from the Law Department which was marked “confidential” but found that that categorization was inconsistent with FOI standards. Mr. Chadwick offered support of this Account Agreement and its use to hold ETFs as Retirement Board investments. Mr. Blankley, a member of the IAC, commented that he also supported this account agreement and its use to hold ETFs.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the Retirement Board’s agreement with State Street Global Markets LLC.

**Approval of BET Procedures for Review of Retirement Board Investment Agreements**

Mr. Drake commented that these procedures clarify the BET’s process to review
and approve these Agreements, as required under the Charter. He noted that these Procedures will avoid duplication of roles among the Retirement Board and the BET, and should improve investment performance by avoiding delays in approving new investments. The text of the Procedures resulted from a consensus of ideas from members of the Committee, other BET members, and Gene McLaughlin. The Procedures clarify the role of the BET under the charter with regard to the Retirement Board. He indicated that the IAC had voted 4-0 to approve these Procedures. Ms. Tarkington noted that the BET Law Committee approved these Procedures by a vote of 2-0 and added a resolution recommending that the Town Attorney, the BET Law Committee, and the Retirement Board meet within the next 30 days to discuss the implementation of these new BET Procedures, in particular as it pertains to that of the BET and its Law Committee's responsibility under the Charter for reviewing investment agreements of the Retirement Board.

Mr. Mason noted that the original draft had been presented in January 2016 and thanked the BET members for diligently completing the development of these BET Procedures. Ms. Kiernan expressed her appreciation of Mr. Drake’s effort to bring the issue to conclusion. Mr. Mason asked that the Procedure be formatted and inserted into the BET Policy & Procedure reference book.

Upon a motion by Mr. Mason, seconded by Mrs. Tarkington the Board voted 12-0-0 to approve the BET Procedures for Review of Retirement Board Investment Agreements.

Approval of Finance Department FY17-18 Budget & Operations Plan – Mr. Mynarski thanked Ms. Kiernan and Mr. Mason, as BET liaisons, for their review of and support for the plan. He remarked that the overall department budget increased 1.0% because of savings resulting from retirements, reduction in longevity payments and overtime, whereas the overall budget would increase 1.0%. Ms. Kiernan commented that it was a thoughtful and prudent plan, with most major object codes declining or flat versus the current fiscal year.

Upon a motion by Mr. Norton, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the Finance Department FY17-18 Budget & Operations Plan.

Credit Rating Agency Selection - Mr. Mynarski had sought the opinion of Mr. Bill Lindsay, C.I.P.M.A., as Director of the Independent Bond & Investment Consultants LLC and the Town’s financial advisor, at the recommendation of the BET, for the pros and cons of using 3 versus 2 agencies for rating of TOG’s bond issue that would go to market in January. Ms. Tarkington asked about the experience of other AAA rated towns. Mr. Mynarski noted that there was an additional cost to the third rating agency, but he wasn’t convinced that it increased the number of bidders or the premium. Mr. Drake commented that IAC had voted 2-2 on the question of the use of 3 v. 2 agencies (Blankley, Norton voted to 3 agencies; Drake, Moriarty voted for 2 agencies). Ms. Weissler noted that of the 21 Connecticut municipalities rated AAA, 14% have three ratings, 20% have two, and 66% have only one rating; she was of the opinion that the investor pool would not diminish if Fitch were not included as a rating agency. Mr. Norton presented arguments in favor of having all three agencies participate in reviewing TOG bond offering: 1) giving an extra margin of comfort to bidders and therefore 2) increasing the number of bidders. His opinion was that it was money well-spent. Mr. Ramer asked if the broader appeal of three agencies lowered the interest rate enough to justify the $25,000 expense. Mr. Mynarski urged the BET to decide this evening in order to give timely notice to the credit rating agencies.
Upon a motion by Mr. Mason, seconded by Ms. Kieman, the Board voted 7-5-0 in favor of authorizing Mr. Mynarski to select two of the three credit rating agencies to rate the Town's bond issue. (Opposed: Blankley, Krumeich, Norton, Ramer, Tarkington)

**Report on Economic Conditions** – Mr. Gieger reported that the pace of spending mirrored that of the previous year, despite the slight variation in calendar-days. Mr. Mason noted that TOG was only in the fifth month of its fiscal year so that it was early to make judgments on the spend-rate.

**OLD BUSINESS**

None

**Approval of the BET Meeting Minutes**

Approval of the BET Meeting Minutes of the Special RTM Work Session of October 4, 2016.

Upon a motion by Mr. Mason, the Board voted 11-0-1 to accept the Minutes of October 4, 2016 Special Meeting. (Abstain: Krumeich)

Approval of BET Meeting Minutes of the Regular BET Meeting of October 17, 2016. Ms. Oberlander offered a written draft of amendments for changes and inclusion.

Upon a motion by Ms. Tarkington, seconded by Mr. Mason, the Board voted 11-0-1 to accept the Minutes of the Regular BET Meeting of October 17, 2016 as amended. (Abstain: Norton)

**CHAIRMAN'S REPORT**

Mr. Mason wished BET member a happy Thanksgiving and expressed his gratitude for their diligent work.

**ADJOURNMENT**

Upon a motion by Ms. Oberlander, seconded by Ms. Krumeich, the Board voted 12-0-0 to adjourn at 7:48 P.M.

The next Regular Meeting of the BET is scheduled on Thursday, December 15, 2016 at 6:30 P.M. in the Town Hall Meeting Room.

Respectfully submitted,

Catherine Sidor, Recording Secretary

William Drake, Clerk of the Board

Michael S. Mason, Chairman