



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, December 15, 2014 in the Town Hall 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 D. Norton, Vice Chairman
William Drake, Clerk
John Blankley
William R. Finger
Sean Goldrick
Randall Huffman
Marc V. Johnson
Mary Lee A. Kiernan
Jeffrey S. Ramer
Leslie L. Tarkington
Nancy Weissler

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; John Crary, Town Administrator; Caroline C. Baisley, Director Health Department; Jay Domeseck, Director Fleet Department; Jim Heavey, Chief of Police; Lt. John Brown, Police Department; Princess Erfe, Administrator, Community Development; Mary Pepe, Director, Human Resources; Alison Graham, Employee Benefits Manager; Al Cava, Director of Labor Relations; Barbara Ormerod-Glynn, Director Greenwich Library

Selectmen: Peter Tesei, First Selectman; Drew Marzullo, Selectman

Other: John Strong, GEMS Financial Officer; Ron Theriault, Ovation Benefits

Mr. Mason opened the meeting by welcoming the Board Members and guests. He asked Mr. Drake to make a motion to open the Public Hearing for the CDBG application.

Upon a motion by Mr. Drake, seconded by Mr. Goldrick, the Board voted 12-0-0 to open the Public Hearing for the CDBG application.

HEALTH CARE PRESENTATION

Ms. Graham introduced Mr. Theriault who described TOG's long term strategy for managing its employee health benefits resulting in the current mix of High Deductible participants (2055) and

POS (Point of Service) participants (190). He pointed out the benefits of the enrollment shift from the traditional plans to the high deductible health plans with health savings accounts. He noted that catastrophic claims exceeding \$100K were fairly stable, with 39 in 2012, 45 in 2013, and 41 through October 2014. He explained that the Town has invested in a wellness program to try to address those catastrophic claims that are due to poor lifestyle management. He described how the current minimum premium contract mitigates the town's costs. A comparison was made between staying with the current vendor (CIGNA) and seeking an alternative vendor for 2016 health benefits. The discussion covered the implications of the current contract's estimated year-end minimum premium account deficit of \$5.8 million held by CIGNA; the stop-loss ceiling of \$300,000 maximum per participant; and 2018's "Cadillac tax" threshold. The Cadillac tax liability for the Town is estimated at \$5.7 million annually, commencing in 2018, given certain assumptions. Strategic options were presented: 1) moving to a defined contribution plan where the Town forms a "simulated private exchange" offering 2-3 medical/Rx plan options to employees and the Town defines a fixed cost borne by the Town; 2) a defined contribution plan where the Town forms an online private exchange which offers 3-12 medical/Rx plans and the Town defines a fixed cost borne by the Town, 3) no longer offering health care benefits to employees and grossing up employee salaries by an amount relative to current healthcare costs, and employees would need to find coverage on the health exchanges of Connecticut or New York; or 4) continue with a minimum premium arrangement.

Mr. Mason thanked the HR Committee and the Ad Hoc Taskforce (Ms. Graham, Mr. Gieger, Ms. Pepe, Mr. Cava and two members of the BET) for their attention to the rising cost of the health benefit program.

ROUTINE APPLICATIONS

ED-3	BOE	Transfer
\$28,200	A 6201753 52150	Office Services

Application removed from the Agenda because it was an internal, line item transfer.

PD-5	Police	Approval to Use
\$76,725	F2173 51100 & 57050	Overtime & Benefits

Upon a motion by Mr. Drake, seconded by Mr. Johnson, the Board voted 12-0-0 to approve the application.

PD-6	Police	Approval to Use
\$42,000	F21310 54300	Maintenance/Sustainability

Upon a motion by Mr. Drake, seconded by Mr. Johnson, the Board voted 12-0-0 to approve the application.

NON-ROUTINE APPLICATIONS

CD-2	Comm. Development	Approval to Use
\$700,000	Q 197	CDBG PY2015 Budget

Mr. Johnson presented the application and pointed out that 65% of the funds were dedicated to capital improvement, 15% to services and 20% to administration. Mr. Goldrick, as a liaison to the CDBG program commented that the organizations applying for the grants were doing

tremendous work but that it was obvious there was a great need. He noted that the drop in funding being dedicated to CDBG was a problem.

Mr. Johnson indicated that the Budget Committee had voted 4-0 to approve the application of CDBG funds notwithstanding the unresolved loan modification issue with Greenwich's Housing Authority.

Upon a motion by Mr. Drake, seconded by Mr. Goldrick, the Board voted 12-0-0 to approve the application.

The public hearing portion of the meeting was brought to a close at 7:26 P.M.

<u>PD-7</u>	<u>Police</u>	<u>Approval to Use</u>
\$173,580	F21310 54300	Diver Training & Gear, Dive Trailer

Mr. Johnson introduced the application commenting that members of the Budget Committee had met with the Police Department to explore Port Security in detail; he noted that the Committee voted 4-0 to approve the application.

Mr. Ramer noted that based on 2014-2015 Budget presentations, he had anticipated a request for \$17k rather than the application for \$66k. He questioned increasing the Dive Team to 12 members and its increased cost regardless of whether or not the initial funds resulted from a Homeland Security grant. Chief Heavey responded that the Dive Team was a regional asset and the funding was for sustainability and training for the future.

Upon a motion by Mr. Johnson, seconded by Ms. Kiernan, the Board voted 12-0-0 to approve the application.

<u>FL-1</u>	<u>Fleet</u>	<u>Additional Appropriation</u>
\$190,000	Z380 59220 15222	Heavy Duty 100,000 lb. Lift

Mr. Johnson reported that this had been an emergency request and that the equipment had not been listed in the 15 year capital plan nor had alternatives been explored. Mr. Mason commented that the application's supporting documentation did not appear to show "best practices" maintenance standards and requested that when the request was sent to the RTM for approval, the images accompany the packet. He noted that TOG makes substantial investments in equipment but that equipment needs to be properly maintained.

Upon a motion by Mr. Johnson, seconded by Mr. Drake, the Board voted 12-0-0 to approve the application.

<u>GM-1</u>	<u>GEMS</u>	<u>Release of Conditions</u>
\$2,075,954	A440 67225	Contribution to GEMS

Mr. Johnson reported that the Budget Committee voted 4-0 to release the conditions on the funding after finding that all the reports submitted were acceptable.

Upon a motion by Mr. Johnson, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the application.

GL-1	Library	Release of Conditions
\$1,411,000	Z701 59820	Exterior Masonry Repair

Mr. Johnson reported that the Budget Committee voted 4-0 to release the conditions on the funding based on Library's submission of detailed documentation of its meetings with TOG, composition of its Building Committee and construction management schedule.

Upon a motion by Mr. Johnson, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the application.

ASSESSOR'S REPORT

Ms. Elliot presented the Department's Report and commented that the October 1, 2015 Grand List Real Estate Revaluation, which is completed every five years, would be conducted by using two separate companies with specialized expertise, residential and commercial. Contracts for the Real Estate Reappraisal & Revaluation were currently being finalized.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to accept the report.

Mr. Mason asked for a motion to move up in the meeting agenda the item: Approval of the Assessor 2015-2016 Budget and Operational Plan.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to move up the Report from New Business.

Ms. Elliot presented the Assessor's 2015-2016 Budget and Operational Plan, achieving a 1.8% budget increase. Ms. Kiernan asked for a copy of the Department's organizational chart, which Ms. Elliott had available for distribution.

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to approve the Assessor 2015-2016 Budget and Operational Plan.

COMPTROLLER'S REPORT

Mr. Mynarski began his report with an update of the outstanding ADP implementation issues that impact the Finance Department; he explained that the issues were not all-inclusive of all outstanding ADP Payroll implementation issues but rather focused on General Ledger Interface Postings and Vendor File Deductions plus ADP Payroll funding. Mr. Mynarski cited the inconvenience of manual reconciliation after 5 payroll runs and overpayment of 35 teachers as examples.

The Ad Hoc ADP Committee, which now includes Ms. Weissler and Ms. Kiernan, was working with the consultant, BerryDunn under an expanded contract, to develop a framework for resolution. Mr. Gieger was identified as TOG's problem identifier for the General Ledger interface and Ms. Murphy, the Town Treasurer, on the Vendor file issue.

Mr. Norton asked that Mr. Mynarski adjust his report to reflect that the Audit Committee had accepted, not approved the Audit at its recent meeting, since it was not yet finalized. He indicated that the Audit Committee voted approval 4-0 of the three "limited scope review" audits

presented by the internal auditor.

Mr. Mynarski updated the Board on other business which included Risk Management's activity, the Retirement Board's RFP for a qualified investment consulting firm to assist that Board, Project Renew's historic tax credit, progress with the Housing Authority Loan Modification Project for Parsonage Cottage and a recent pension actuary report to the Retirement Board.

Upon a motion by Mr. Norton, 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 NOVEMBER 2014

Upon a motion by Mr. Norton, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the report.

BET Standing Committee Reports

None

BET Liaison Reports

None

BET Special Project Team Reports

GHS MISA – Ms. Tarkington submitted a report on the MISA Project progress and noted that the project was 60% complete.

NEW BUSINESS

● **Finance-Administration Operational Plan 2015-2016** – Members of the Board commented on various aspects of the department's operational plan and complimented Mr. Mynarski for expressing his plan goals with outcome measurements, as well as achieving a 2% budget increase over FY following the guidelines of the First Selectman's Initiative for cost control.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to accept the Finance-Administration Operational Plan 2015-2016.

● **Report – Status of Current Economic Conditions** – Mr. Gieger reported that conveyance taxes and building permits had already exceeded half of the year's total budgeted projection. He noted that November expenses were not yet available.

● **Approval of the Comprehensive Annual Financial Report** – Mr. Norton drew attention to the most important financial statements within the CAFR. The Audit Committee particularly reviewed contingent liabilities. The Committee voted 4-0 to approve the CAFR.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the CAFR.

● **Approval of the Federal Single Audit** – Mr. Norton commented on the completion of this Audit and the Audit Committee vote of 4-0 to approve it.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the Report.

- **Approval of the State Single Audit** - Mr. Norton commented on the completion of this Audit and the Audit Committee vote of 4-0 to approve it.

Upon a motion by Mr. Mason, the Board voted 12-0-0 to approve the Report.

- **Acceptance of Management Letter for the Year Ending June 30, 2014** – Mr. Norton indicated that the Audit Committee voted 4-0 to accept the Management Letter. Mr. Ramer suggested that a motion should be made to accept the Management Letter now and to approve it later when a report on the outstanding items was prepared.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the Management Letter.

- **BET Elections** – Mr. Mason briefly presented five scenarios for changing the BET elections noting that it would require a vote of 7 to approve a change. He indicated that he had spoken with Mr. Finger, TOG's Law Department about accountability and authority under any of the new scenarios. No motion was presented on this topic.

Approval of the Regular BET Meeting Minutes November 17, 2014

Upon a motion by Ms. Tarkington, seconded by Mr. Drake, the Board voted 12-0-0 to accept the Regular Meeting Minutes November 17, 2014.

First Selectman Tesei thanked the BET for creating progress in the community as a component of volunteer government. He noted how important it was for volunteers to step up and serve. He invited all members of the public to January 22, 2015's Selectmen's Monthly meeting jointly with the League of Women Voters where Home Rule would be discussed and to attend on January 26, 2015 for the Capital Improvement Budget Public Hearing.

In closing his comments, Mr. Tesei noted that the results of the Citizen Satisfaction Survey were being tallied and that it would be a baseline to develop future budget allocations.

CHAIRMAN'S REPORT

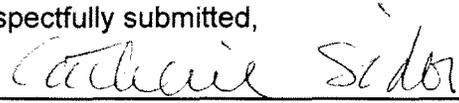
Mr. Mason noted that BET members were half way through their terms. He thanked them for their willingness to be engaged in the important budgeting process ahead and reminded them that it would be a first experience for the many new members on the RTM. He concluded his remarks by wishing all a good holiday season.

ADJOURNMENT

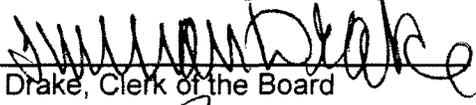
Upon a motion by Mr. Mason, the Board voted 12-0-0 to adjourn at 8:39 P.M.

The next Regular Meeting of the BET is scheduled on Wednesday, January 21, 2015 in the Town Hall Meeting Room at 6:30 P.M.

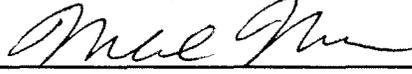
Respectfully submitted,



Catherine Sidor, Recording Secretary



William Drake, Clerk of the Board



Michael S. Mason, Chairman