



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, December 15, 2016 in the Town Hall Meeting Room, Town Hall, 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
Mary Lee A. Kiernan
Elizabeth K. Krumeich
James A. Lash
Leslie Moriarty
Jill K. Oberlander
Jeffrey S. Ramer
Leslie L. Tarkington
Nancy Weissler

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; Mark Kordick, Captain, Police Department Detective Division; David Nemecek, Sergeant, Police Department Marine Division

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

Public: William Finger, John Chadwick, Chairman, Retirement Board; Ken Borsuk, Reporter, *Greenwich Time*

Requests for Budget Adjustments

ROUTINE APPLICATIONS

<u>Number</u>	<u>Department</u>	<u>Purpose</u>
PD-1	Police Department	Approval to Use
\$52,500	F2173 5110 & 57050	Overtime Services & Benefits

Upon a motion by Mr. Drake, seconded by Ms. Kiernan, the Board voted 12-0-0 to approve the request to use the funds.

GM-1	GEMS	Release of Conditions
\$182,869	F2139 53070	911 Grants/Municipal

Upon a motion by Mr. Drake, seconded by Ms. Kiernan, the Board voted 12-0-0 to approve the Release of Conditions on the funds.

NON-ROUTINE APPLICATIONS

PD-2	Police	Approval to Use
\$ 0	F2173 51100 & 57050	Jet Ski Donation

Mr. Lash remarked that the Budget Committee had voted 2-2 on the request; he and Ms. Tarkington opposed the receipt of the donation. Ms. Kiernan asked for a member of the Police Department's Marine Division to expand on the rationale for the acquisition of the equipment and its potential future use. Sergeant Nemecek explained that the draft on the vehicle would allow for rescues at low tide on the mud flats surrounding Cos Cob and Byram harbors where even inflatable boats would be grounded. He offered that after the initial investment in refurbishing of \$1,500, the maintenance would cost approximately \$300 annually. Mr. Ramer asked about training time of staff and where the jet ski would be kept during the warm seasons. The officer replied that it would be kept on a floating dock, and that they envisioned using the jet ski to patrol rowing events and activities. BET members were advised that all the Marine officers were already trained to use the type of vehicle and would only need minutes to be acclimated to it, which would be in the water during the season and thereafter stored at the Safety Complex garage. Mr. Lash reminded the Board that the tone of the upcoming Budget would be less service, not more, and less equipment not more.

Upon a motion by Mr. Lash, seconded by Ms. Kiernan, the Board voted 5-7-0 on the use of the vehicle. (Opposed: Drake, Lash, Mason, Norton, Oberlander, Tarkington, Weissler).

PD-3	Police	Approval to Use
\$182,869	F2139 53070 & 53550	911 Grants/Municipal

Captain Kordick stated that this expenditure on communications equipment qualified for grant money generated by a charge on telephone bills and was already in the Department's 15 year plan for updating and modernizing communication equipment. Part of the grant money would be used to replace batteries on the 911 System. Mr. Lash commented that the Budget Committee had voted 3-0-1 (Abstain: Tarkington) because it would have preferred that the item was considered during the February Budget Hearings.

Mr. Ramer asked Capt. Kordick if there was an expiration date on accepting the grant or if the funds were in danger of being given to another municipality, or if there was any hazard or hardship if some of the grant money was deferred to be reviewed in conjunction with Mr. Klein's IT Department planning for the Police Department. Captain Kordick responded that deferring the balance of the grant, while in no way hazardous, was disadvantageous to the internal Police Department IT staff and would not be reflected as a reduction to its FY17 Capital Budget. Ms. Tarkington supported immediate approval for the telephone switches and the back-up battery packs totaling \$58,288, but proposed the remainder be reviewed by the IT Department and returned for interim approval during the February Budget discussions.

Upon a motion by Mr. Lash, seconded by Ms. Kiernan, the Board voted 11-0-1 to approve the use of the grant. (Abstain: Tarkington).

ASSESSOR'S REPORT

Ms. Elliott began her presentation with remarks about the retirement of the Assistant Assessor, Mr. Robert Shipman, who would be leaving as of December 31, 2016. She asked the Board to acknowledge Mr. Shipman's contribution of 19 years of excellent service and the institutional knowledge he had contributed to the Department.

Ms. Tarkington, as BET co-liaison to the Assessor's Department, made the following remarks:

"For the past nineteen years Bob has shared with the Town his knowledge of assessment practices, amazing and applicable education background as an engineer, architect with a graduate degree from Carnegie Mellon, MBA, and previous work in the heavy construction industry.

Bob is a whiz on the computer and making the Town's Assessment processes visual to improve the quality of the annual assessment and five-year revaluation processes. As a longtime resident of Greenwich, Bob is highly knowledgeable about the Town.

With Bob's contribution, the Assessor's Office has implemented many improvements. Bob has been a positive influence to these initiatives. Bob has an impressive and dedicated work ethic, and a pleasant demeanor. It is a pleasure working through projects with Bob.

Bob served two lengthy periods as the Acting Assessor, first in the period between Harriet Gotz and Ted Gwartney. During the six-month search between Ted and Lauren, the BET greatly appreciated Bob's leadership and support while managing the Department.

Congratulations Bob. We wish you excellent health and enjoyment with your wife Helen, your two daughters and extended family, and your new home under construction upstate. We thank you for your contribution. All the best in your new endeavors!"

Mr. Mason followed Ms. Elliott's and Ms. Tarkington's comments and said Mr. Shipman would be missed. The BET members concurred with Mr. Mason and Ms. Tarkington with strong, exuberant applause.

Ms. Elliott commented that the supplemental Motor Vehicle Tax List of 11,150 vehicles was completed, adding a supplemental net assessment of \$138 million and \$1.5 million tax revenue to the October 1, 2015 Grand List. The October 1, 2016 Grand List has been completed for real estate; the departmental valuation for automobiles and personal property is currently taking place and will be completed by the State's submission date, January 31, 2017.

Mr. Norton asked if all the easy litigation settlements were finished and the outstanding litigations would be more difficult to settle. Ms. Elliott responded that all the 2014 cases had been settled and that of the 96 appeals for 2015, 15 had recently been settled reducing the Grand List by \$6.9 million, and resulting in a \$78,000 loss of revenue.

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 advised the Board that information was being gathered for the January 6, 2017 credit review meetings with Moody's and S&P prior to the bond offering (January 12, 2017 at 11:00 A.M.) and the note offering (11:30 A.M.). He commented that he had contacted William Lindsey for a projection on possible interest rates and the bond market and noted that a slight increase in interest rates would be likely, compared with the January 2016 offerings.

Ms. Kiernan asked Mr. Mynarski about the impact of the RTM's action not approving the Teamster Union contract. Mr. Mynarski responded that the actuarial report on the Retirement Board had been completed, but that the impact on OPEB could not be estimated until the outcome was known whether the Teamsters would migrate to the State's Partnership Health plan. He noted that there would be a possible savings of approximately \$1 million to OPEB's ARC, where alternatively, if the migration was delayed TOG's additional cost would be approximately \$200,000 for each month those union members remained on the Town's more expensive health benefit program.

Mr. Tesei reminded the Board that the applicable law provided that the BET did not have a role in negotiating collective bargaining contracts.

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 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 suggested that Mr. Drake report on the Investment Advisory Committee activity during the scheduled presentation under New Business.

BET Liaison Reports

CIP – Capital Improvement Projects - Mr. Mason reminded BET members that the first presentation of the upcoming budget year's Capital Improvement Projects would take place at 6:00 P.M. in the Cone Room on December 19, 2016.

BET Special Project Team Reports

Central Fire House – Ms. Oberlander commented that the relocation of the fire department's staff from the Holly Hill rental office space to the Safety Complex had begun with completion expected by year-end.

NEW BUSINESS

Approval of the Comprehensive Annual Financial Report (CAFR) Fiscal Year 2016 – Mr. Norton reported that the Audit Committee voted to accept the CAFR and recommended it to the BET for its approval.

Upon a motion by Mr. Norton, the Board voted 12-0-0 to accept the Audit

Committee's recommendation to approve the CAFR.

Approval of Federal Single and State Single Audits - Mr. Norton reported that the Audit Committee voted to accept the Federal Single and State Single Audits and recommended them to the BET for its approval.

Upon a motion by Mr. Norton, the Board voted 12-0-0 to accept the Audit Committee's recommendation to approve the Federal Single and State Single Audits.

Approval of Management Letter for the Year Ending June 30, 2016 - Mr. Norton reported that the Audit Committee voted to accept the Management Letter for the Year Ending June 30, 2016.

Mr. Lash asked about whether there were items requiring resolution in the Management Letter. Mr. Mynarski responded that there were 3 comments by the auditors: 1) on receivables (a new comment referring to Police Department receivables); 2) sewer bond assessments which were reported through the Quality Data systems, regarding North Mianus and Millbrook properties which were entered manually into reports, because the software needed specialized modifications for the bond billing; 3) a comment regarding fixed assets that again would require the acquisition of software which the Finance Department considered a costly update to correct a footnote. He added that a new auditor would be joining the review team on July 1, 2017 so the software acquisition was tabled until his arrival.

Upon a motion by Mr. Norton, the Board voted 12-0-0 to accept the Management Letter for the Year Ending June 30, 2016.

Approval of the Retirement Board Amendment to State Street Investment Management Agreement to include investments in US. Treasury Inflation Protected Securities (TIPS) Index Securities Lending Fund and Daily MSCI EAFE Index Non-Lending Fund – Mr. Drake invited Ms. Tarkington to open the discussion on behalf of the Law Committee. Ms. Tarkington stated that the Law Committee commends Assistant Town Attorney Gene McLaughlin on his successful work for the Retirement Board, the BET, and the Town to revise the Amendment to the existing Agreement, rather than accepting the State Street proposed Participation Agreement. In the Amendment, the Town agreed to certain updates such as that required by State Street and federal law as regards to money laundering, while the Town preserved its other direct investment rights that it had negotiated in the existing Investment Agreement.

As structured, and as agreed by the Chairman of the Retirement Board who was present and participated in the Law Committee December 9 meeting, there is more responsibility taken on by the Retirement Board, and perhaps the BET's IAC, to deliver required information before the legal time clock ticks, whether for the Town Attorney, or outside counsel, for investments selected from State Street's provided list, and there is an extensive list of debt and equity investments. The overall process and time frame for legal approval should be greatly reduced and legal costs, whether billed or not, should be minimized, also.

The Retirement Board remains required to have the agreements for other alternative private equity investments not held in the State Street Trust individually approved by the BET, IAC, and Law Committee, as in the past.

Mr. Drake noted that the Investment Advisory Committee had unanimously adopted the following resolution: WHEREAS the Retirement Board had voted to invest \$10 million in State Street Emerging Markets Index and \$10 million in TIPS Funds; RESOLVED, that the Committee recommends that the BET approve the Amendment to the State Street contract received from TOG Law Department with the Department's letter dated December 7, 2016.

Mr. Ramer asked Mr. Chadwick if the investments under this Amendment were all in investment grade securities. Mr. Norton responded that all the securities held under this Amendment were registered with the SEC.

Upon a motion by Ms. Tarkington, seconded by Mr. Drake, the Board voted 11-0-1 to approve the Amendment to the State Street Investment Management Agreement to include State Street U.S. Treasury Inflated Security Index Security Lending Fund (TIPS) and Daily MSCI Emerging Markets Index Non Lending Fund, in the amount of \$10 million to each of these Funds. (Abstain: Ramer)

OLD BUSINESS

None

Approval of the BET Meeting Minutes

Approval of BET Meeting Minutes of the Regular BET Meeting of November 21, 2016.

Upon a motion by Mr. Drake, seconded by Ms. Tarkington, the Board voted 12-0-0 to accept the Minutes of the Regular BET Meeting of November 21, 2016.

CHAIRMAN'S REPORT

Mr. Mason remarked that Ms. Kiernan would be leaving the BET to fulfill a new role with the YWCA. He wished her good luck and thanked her for all she had contributed as a member and especially the Special Projects she had undertaken. Saying she would be missed, Mr. Mason added that it was the Town's loss. He noted that the process to fill the position would take place after the holidays.

Ms. Kiernan commented that it had been a privilege and pleasure to be a member of the BET and expressed her thanks to the professional staff for its support and acknowledged the integrity and work ethic of Mr. Mynarski and Mr. Geiger in their contribution to the BET's mission.

Each fellow member of the BET expressed their personal observations and thanks and wished Ms. Kiernan well in her next endeavor. Mr. Tesei expressed his personal thanks on behalf of the Board of Selectmen noting her temperament that contributed to the effectiveness of the BET.

When Mr. Blankley made his comments, he announced his immediate resignation from the Board.

Mr. Ramer added that he held Mr. Blankley in high esteem and thanked him for his participation. He then announced that Ms. Oberlander was voted to be the new Chair of the Democratic Caucus and that Ms. Moriarty would fill Ms. Kiernan's place on the Budget Committee.

Fellow members of the BET expressed their comments, thoughts and thanked their colleague, Mr. Blankley. Mr. Tesei expressed his gratitude for Mr. Blankley's contribution and service.

Mr. Mason thanked Mr. Blankley for bringing fun as well as good judgment to the BET and noted that he would be missed.

ADJOURNMENT

Upon a motion by Ms. Oberlander, seconded by Ms. Krumeich, the Board voted 12-0-0 to adjourn at 8:05 P.M.

The next Regular Meeting of the BET is scheduled on Wednesday, January 18, 2017 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