MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, December 17, 2007 in the Town Hall Meeting Room, Greenwich, CT.

Chairman Robert Stone called the meeting to order at 6:38 P.M., after which the members pledged allegiance to the flag.

Upon a motion by Mr. Walko, seconded by Ms. Tarkington, pursuant to Section 3 of the Town Charter, the Board voted 11-0-0 to elect James Campbell to fill the vacancy on the Board created by the resignation of Peter Tesei upon his becoming First Selectman.

Mr. Campbell then took the Oath of Office administered by Town Clerk Carmella Budkins.

Board members in attendance:

Robert S. Stone, Chairman
Alma Rutgers, Clerk
Nancy E. Barton
James S. Campbell
William R. Finger
James A. Himes
Edward T. Krumeich, Jr.
Michael S. Mason
Arthur D. Norton
Laurence B. Simon
Leslie L. Tarkington
Stephen G. Walko

Ex-Officio Board Members: First Selectman Peter Tesei; Selectmen Peter Crumbine and Lin Lavery

Staff: Roland Gieger, Peter Mynarski, Finance Department; John Crary, Town Administrator; Ted Gwartney, Robert Shipman, Assessor’s Office; John Wayne Fox, Fernando de Arango, Law Department; Jim Lavin, Retirement Plans Administrator

Other: Michael Pagliaro, Dave D’Andrea, Mark Kordick, Retirement Board; Doug Mosley, Kristen Reynolds, New England Pension Consultants; Bill Kelly, Jeff Ramer BET members-elect

NON-Routine APPLICATIONS

RF-1 Retirement Board—Release of Condition - $500,000
Release of Condition:

$500,000 to A-131-51490 Professional Services

Mr. Walko asked Mr. Lavin to review the last minute changes that were made to the document before the Board: “Performance Objectives and Guidelines for all Investment Managers.” Mr. Lavin indicated that the changes were color-coded and had been made at the Retirement Board’s meeting that afternoon, December 17, 2007. Mr. Walko said that, as a result of the Condition the BET had placed on the Retirement Board’s 2007-2008 budget, this document is a great step in the right direction. Mr. Walko reported that the Budget Committee had approved the Release of Condition by a vote of 4-0-0.

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted 12-0-0 to approve this Release of Condition.

Mr. Stone asked Mr. Walko to present the three non-routine litigation settlements.

Mr. Walko said that the Law Committee approved these three litigation settlements at its December 7, 2007 meeting by a vote of 2-0-0. He said that the Budget Committee had a lengthy discussion of these items in executive session at its December 11, 2007 meeting, which was attended by most of the BET members. He said that the Budget Committee approved all three litigation settlements by a vote of 4-0-0.

Mr. Walko called upon Mr. Fox to present the claims.

SE-12 First Selectman - Additional Appropriation

Request for Additional Appropriation:

$ 500,000 to P-935-57350 Settlement, Sanders v. TOG
$500,000 from Risk Fund Balance

Mr. Fox said that this was a personal injury action arising out of the plaintiff’s fall on a patch of ice on a town sidewalk outside a parking lot in downtown Greenwich. The case was brought under the highway defect statute. The Law Department recommends that the town contribute its $500,000 self-insured retention toward a possible settlement.

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted 12-0-0 to approve this additional appropriation.

SE-13 First Selectman - Additional Appropriation

Request for Additional Appropriation:
Mr. Fox said that this was an action seeking unpaid wages and double damages plus attorneys’
fees. The plaintiff’s claim arises out of his service as an island caretaker and a dispute over the
hours actually worked.

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted
12-0-0 to approve this additional appropriation.

SE-14 First Selectman - Additional Appropriation

Request for Additional Appropriation:

$500,000 to P-935-57350 Settlement, Romig v. TOG
$500,000 from Risk Fund Balance

Mr. Fox said that this was a wrongful death action arising out of a fire in a residential building.
The Law Department recommends the town should contribute $500,000 toward a possible
settlement.

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted
12-0-0 to approve this additional appropriation.

REPORT FROM NEW ENGLAND PENSION CONSULTANTS

Upon a motion by Mr. Krumeich, seconded by Ms. Rutgers, the Board
voted 12-0-0 to take up out of order the New England Pension
Consultants’ report on private equity investments that appears on the
agenda under “New Business.”

Mr. Lavin introduced Mr. Doug Mosley, one of the partners from New England Pension
Consultants, who then gave a summary report.

In response to a question from Mr. Stone, Mr. Mosley gave an overview of the two private equity
funds in which the Retirement Board intends to invest a total of $10 million ($5 million in each
fund). The AIG Global fund, based in New York City, has a target size of $750 million, a 10-
year life and an internal rate of return of 18-20%. The Blackrock fund, formerly Quellos, has a
target size of $600 million and a 12-year life.

In response to a question from Mr. Simon, Mr. Mosley said that there is some overlap in the
investments of the two funds. He said that the funds are complementary and historically the
returns have been in the 15 – 20% range.
In response to a question from Mr. Norton, Mr. Mosley said the minimum investment requirement is $5 million for the Blackrock fund. He said that, while there is a minimum investment requirement of $10 million for the AIG fund, this fund has granted the Retirement Board a waiver, allowing a $5 million investment.

In response to a question from Mr. Stone, Mr. Mosley outlined the investment allocations in each fund: Blackrock – 30% Venture, 40% Buy-Outs, 30% Special Situations; AIG – 20% Venture, 45% Buy-Outs, 10% Secondary, 25% Co-Investments.

Mr. Stone asked the Board for a vote to agree in principle that the Retirement Board should move forward with this investment plan.

Upon a motion by Mr. Simon, seconded by Mr. Norton, the Board voted 12-0-0 to approve the Retirement Board going forward with its plan to enter into contracts with two private equity managers.

In response to a question from Mr. Walko, Mr. Lavin confirmed that the contracts will now go to the Law Department for review and then will come to the BET for approval at its February 2008 meeting.

ASSESSOR’S REPORT

Mr. Gwartney presented the Assessor’s report to the Board.

In response to a question from Mr. Finger, Mr. Gwartney reported that the Parcel Analyst software that cost $9,000 does not function as expected and does not allow interface with the existing system. In response to a further question, he said that the new software could still be used for other aspects of the work done in the Assessor’s office.

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

BET COMMITTEE & LIAISON REPORTS

Audit Committee-Robert Stone

The Audit Committee met on Thursday, December 13, 2007. Committee members reviewed and unanimously approved the resolution concerning engaging professionals to represent the town’s interests in certain construction projects.

Committee members also discussed the draft Management Letter received from BlumShapiro relating to their audit of the town’s financials for FY ending 6/30/2007, as well as expected responses thereto from various town departments. Observations concerned the Board of
Education, The MUNIS software system, personnel files relating to payroll records, and Information Technology. It appeared to the Committee that most concerns are being addressed. The observation concerning payroll records is subject to further discussion and assessment.

The Committee continued its review, begun in November 2007, of the internal audit of the waste disposal and recycling operation at the Holly Hill facility. In attendance at the meeting were Public Works Commissioner, Lloyd Hubbs, as well as several staff officials who are directly involved in the operations. The Town Administrator was also in attendance. The Commissioner agreed with the findings and seemed to be in accord with taking action in several areas requiring immediate attention. These include mixed solid waste originating from outside of the town, which apparently represents an annual cost to Greenwich well into six figures. The Committee approved release and distribution of the report and recommends that Board members review it.

Finally, Committee members reviewed the “Summary Reflecting Terms of Leases and Operating Agreements Covering Town-Owned Real Property”. This continues to be a work in progress, the development of which has revealed to the auditor that record keeping of various leases and required collateral documentation related to these leases seems to be inadequate. The Committee recommends that the new Audit Committee, to be appointed after the new Board is seated in January 2008, follow up on this matter.

Retirement Board-Robert Stone

Mr. Stone reported that the Retirement Board approved adoption of investment management guidelines which were somewhat along the lines suggested when the BET conditioned the Retirement Board’s 2007-2008 budget, noting the absence of guidelines and the need to give more attention to this matter. Mr. Stone said that the guidelines originally approved by the Retirement Board did not include language that he considered to be critical and that this has since been addressed.

The Retirement Board also interviewed sponsors of three private equity limited partnerships and took action to invest in two of these at commitment levels of up to $5 million in each. The Retirement Board has made a presentation this evening, eliciting the BET’s agreement in principle to move forward with these investments.

Human Resources Committee-Leslie Tarkington

The Human Resources Committee met on December 12, 2007. All members were present, as well as Mr. Mynarski, Ms. Kast, and First Selectman Peter Tesei.

Ms. Kast provided a brief update on the M/C Pay Plan, and commented that the Board of Education had completed several of their M/C employee questionnaires for inclusion in the study. She also confirmed her submission of the Human Resources training budget as outlined in November 2007.
Ms. Tarkington said that First Selectman Peter Tesei was welcomed and joined in the discussion on the Human Resources schedules, including the vacancy report.

The Committee began its discussion of the proposed risk management topic. Nancy Barton had prepared the discussion outline. The objective is to define areas where human resource solutions, such as policies and training, mitigate risk.

**M/C Pay Plan Sub-Committee- Leslie Tarkington**

The M/C Pay Plan Sub-Committee met with the Hay Group on December 13, 2007 and on December 17, 2007.

The meeting on December 13, 2007 was to discuss job classification and pay compensation. Hay compared the Town of Greenwich’s non-represented pay practices to the pay levels for jobs of similar size and/or function in the general market which included jobs in the private sector, public sector, insurance companies, and not-for-profits, all in the Metropolitan New York area; a special survey of five selected municipalities conducted by Hay; and a survey of nursing home positions conducted by CANPFA.

The meeting this morning, December 17, 2007, was to discuss the town’s M/C benefit package and to compare it with other government entities in the Hay database. In general, the Town of Greenwich compares very favorably.

The Sub-Committee will work with Ms. Kast to provide her with feedback on both presentations. Ms. Kast expects that the Hay Group and the Sub-Committee will begin to finalize the information in early to mid-January 2008.

**Ad-Hoc Committee on OPEB – Stephen Walko**

Mr. Walko was pleased to report that the RTM has approved the OPEB Trust document. He said that the Ad-Hoc Committee on OPEB must be reconstituted in January 2008.

**Hamilton Avenue School Building Committee- Stephen Walko**

The Committee will be requesting an interim appropriation of $550,000, the key component of which is for project management. The Committee intends to bring this request to the RTM on January 14, 2008. Therefore, the BET must call a Special Meeting to take up this request for an interim appropriation before the RTM meets. Mr. Walko proposed that the BET meet on January 14, 2008, just before the RTM meets.

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted 12-0-0 to add to the agenda the proposal to call a Special Meeting.

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 12-0-0 to call a Special Meeting for January 14, 2008, at 6:30 p.m., for the
purpose of entertaining a request from the Hamilton School Building Committee for an interim appropriation.

**Investment Advisory Committee – Arthur Norton**

Mr. Norton reported that by December 31, 2007, the amount of money in the STIF accounts will have been reduced to the minimum needed to maintain the accounts.

**COMPTROLLER’S REPORT**

Mr. Mynarski presented the Comptroller’s Report for the period of November 20, 2007 to December 17, 2007.

Mr. Walko inquired about the North Mianus Sewer Project. Mr. Mynarski said that the Condemnation Commission met on December 10, 2007 and December 12, 2007 to vote on the final condominium unit issue and a final allocation method. The proposed Public Hearing is January 22, 2008 and the proposed billing date is April 1, 2008. In response to a question from Mr. Walko, Mr. Mynarski said that he was not entirely confident that the April 1, 2008 date would be met, although “99% confident.”

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

**TREASURER’S REPORT**

Mr. Mynarski presented the Treasurer’s Report for November 2007.

In response to a question from Mr. Simon regarding investment decisions, Mr. Mynarski said that the Board approves the investment guidelines and financial institutions and that the Treasurer then makes the decisions on where to invest the money based on these guidelines as well as the limitations imposed by state statutes. Mr. Mynarski said he will ask the BET to approve a resolution on investment options at the January 22, 2008 meeting.

Mr. Krumeich asked if any consideration had been given to hiring an investment manager to have the money controlled by a professional. Mr. Mynarski replied that the Treasurer was more than qualified to make these decisions.

Mr. Himes said that the town’s cash management was fairly complicated and that it was an interesting idea to have a professional look at ways to optimize the yield across many accounts.

Mr. Norton said that the cost of hiring an investment manager could considerably reduce the return, and that the cost involved was an important consideration.
Mr. Mynarski said that he will look into the possibility of acquiring some kind of cash management skills and will report back to the Board.

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

**APPROVAL OF MINUTES**

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 10-0-2, to approve the Regular Meeting Minutes of the BET from November 19, 2007, with Mr. Campbell and Mr. Krumeich abstaining (Mr. Campbell was not yet seated on the Board at that meeting and Mr. Krumeich arrived late in the meeting).

**OFFICERS’ REPORTS**

Mr. Stone reminded Board members to complete their performance reviews for the Comptroller and the Assessor and return them to him and to Ms. Kast by December 21, 2007. Ms. Rutgers said that she would write a job description for the Clerk of the Board to be passed on to the next Clerk.

**OLD BUSINESS**

*Resolution Concerning Town, School and Town of Greenwich – Related Construction Projects*

Mr. Simon moved, and Mr. Walko seconded, a resolution, as recommended by the Audit Committee, to adopt as BET policy requirements that town, school and town-related construction projects budget funds for the engagement of a full-time “owner’s representative” or “project manager” for projects with budgets of $5 million minimum; that such construction budgets include a contingency of at least 5%; and that a representative of such construction projects report in writing to the BET at least quarterly.

Mr. Finger asked if this resolution binds only this Board, or does it carry over to the next Board? Mr. Stone responded that it would have an indeterminate life span.

Mr. Finger said that he did not see the benefit of setting a specific dollar amount.

Mr. Walko said that he tends to agree with Mr. Finger regarding an actual dollar amount, but that, relative to current projects, this dollar amount makes clear the BET’s intent. He said that deleting the number was not productive and would result in ambiguity. This resolution will allow current projects such as the Glenville School and Nathaniel Witherell’s Project Renew to address the shortcomings of the Hamilton Avenue School building project. The dollar amount adds clarity.
Mr. Simon indicated that this number was a guideline.

Ms. Barton said that the wording of the resolution indicates that this is a requirement, not a guideline.

Ms. Rutgers concurred with Ms. Barton that the resolution is worded as a requirement for all projects $5 million or more, and asked if it was intended as a guideline or as a requirement? She said that if it is a guideline, it should be re-worded.

Mr. Mason said that it was a requirement and that the BET was being clear in setting this as a policy.

Ms. Tarkington said that $5 million was a good starting policy and that the members of the Audit Committee worked well together to come up with this language.

Mr. Finger said that these comments from Board members illustrate his concern insofar as some say it is policy and others say it is guidance. He said the BET could accomplish the same thing without the dollar threshold.

Mr. Krumeich said that there was no problem with this as a guideline for those coming to the BET with a construction project, but noted that the wording does not provide discretion. What if the Budget Committee approves a construction project without a project manager? Is the intent to bind? Or is it to be a guideline?

Ms. Barton expressed her concern after listening to this discussion, saying that there appeared to be twelve different opinions. Ms. Rutgers said that, while there might not be as many as twelve different opinions, it was clear from the discussion that there were significant differences of opinion and suggested the Board not vote on the resolution at this time, but rather that it be brought back at the January 2008 meeting with wording upon which there is agreement.

Mr. Himes said that this was a guideline and that the intent was to create a mechanism to budget for a project manager “at some trip wire.” He proposed to amend the resolution with different wording.

Mr. Walko said that to wordsmith now was not the best approach. He said the Board should decide whether to move forward now without an amendment, or to put off voting until the January 2008 meeting.

Mr. Krumeich said that, if the Board were going to wordsmith, it would seem the Budget Committee could adopt something like this as a guideline. He said that, if this is put off until January 2008, the Budget Committee could take a look at it.

Mr. Finger said this was not the place to wordsmith. He said he supports this as a guideline, but has a problem with the language. He suggested that Board members provide comments between now and the next meeting.
Mr. Walko said that he would hate to have the resolution fail over a wording issue. He said he just wanted a general consensus that this is the right direction in which to go.

Mr. Simon agreed and said that this could more easily be written as a budget guideline. He withdrew his motion.

Mr. Stone then called for a show of hands as to how many Board members were favorably disposed to moving in this direction. All twelve members of the BET indicated they were in favor of moving in this direction. Mr. Stone said this should send a clear message regarding BET expectations that there be a full-time project manager on town and school construction projects.

Upon a motion by Mr. Krumeich, seconded by Mr. Mason, the Board voted 12-0-0, to refer the resolution to the Budget Committee.

NEW BUSINESS

Appointment of Liaison to Glenville School Building Committee

Upon a motion by Mr. Walko, seconded by Mr. Mason, the Board voted 12-0-0, to approve the appointment of Mr. Norton as interim liaison to the Glenville School Building Committee.

Rescheduling of January 2008 Regular BET Meeting

Upon a motion by Mr. Walko, seconded by Mr. Simon, the Board voted 12-0-0 to reschedule the next BET Regular Meeting for January 22, 2008.

Mr. Walko stated that the January 2008 BET Meeting Schedule is now as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>January 2, 2008</td>
<td>Organizational Meeting</td>
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<tr>
<td>January 14, 2008</td>
<td>Special Meeting – Hamilton Avenue School Appropriation (Cone Room)</td>
</tr>
<tr>
<td>January 22, 2008</td>
<td>Regular BET Meeting</td>
</tr>
</tbody>
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Mr. Walko expressed a fond farewell and best wishes to departing Board members Jim Himes and Alma Rutgers.

Mr. Stone offered a fond farewell to former Board Chairman, First Selectman Peter Tesei.

All in attendance were invited to attend a small celebration following the meeting.

ADJOURNMENT
Upon a motion by Mr. Campbell, seconded by Mr. Finger, the Board voted 12-0-0 to adjourn at 8:15 p.m.

Respectfully submitted,

[Signature]
Maria Bocchino, Recording Secretary

[Signature]
Alma Rutgers, Clerk of the Board

[Signature]
Robert S. Stone, Chairman