



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, December 17, 2012 in the Cone Meeting Room, Greenwich, CT.

Chairman Michael Mason called the meeting to order at 6:34 P.M., after which the members pledged allegiance to the flag, and then observed a moment of silence in memory of the victims of the Sandy Hook School tragedy.

Board members in attendance:

Michael S. Mason, Chairman  
Arthur D. Norton, Vice Chairman  
Mary Lee A. Kiernan, Clerk  
Gregory Bedrosian  
Robert Brady  
William R. Finger  
Sean Goldrick  
Randall Huffman  
Marc V. Johnson  
Joseph L. Pellegrino  
Jeffrey S. Ramer  
Leslie L. Tarkington

Selectmen: Drew Marzullo

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Lauren Elliott, Assessor; Robert Shipman, Assistant Assessor; Joseph Siciliano, Director, Parks & Recreation; Tom Greco, Assistant Director, Parks & Recreation; Allen Brown, Executive Director, Nathaniel Witherell; Ray Augustine, Director of Financial Operations, Nathaniel Witherell; Eugene McLaughlin, Assistant Town Attorney; John Crary, Town Administrator  
Other: David Ormsby, Lloyd Bankson, Nathaniel Witherell Board; Andy Fox, Nathaniel Witherell Building Committee

### **ROUTINE APPLICATIONS**

#### **PD-3 Police – Approval to Use \$3,400**

Approval to Use:

\$ 3,351	to	F2175-51100	Overtime Services
\$ 49	to	F2175-57050	Benefits
\$ 3,400	from		Federal Highway Safety Program Grant

#### **PW-3 Public Works – Additional Appropriation \$64,000**

Additional Appropriation:

\$ 64,000	to	B345-59560 12129	Temporary Fire Station
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\$ 64,000 from Capital Non-Recurring

ED-1 Board of Education – Approval to Use \$2,500

Approval to Use:

\$ 1,980 to F6050408-51900 Growth & Development  
\$ 520 to F6050408-51310 Substitute Pay  
\$ 2,500 from Lone Pine Grant

ED-2 Board of Education – Approval to Use \$2,500

Approval to Use:

\$ 1,600 to F6050608-51310 Substitute Pay  
\$ 900 to F6050608-53100 Supplies  
\$ 2,500 from Lone Pine Grant

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

**NON-ROUTINE APPLICATIONS**

ED-3 Board of Education – Release of Conditions \$126,000

Release of Conditions:

\$ 126,000 to B680-59090-13150 Phone System (Mitel) Upgrade

Mr. Pellegrino explained that this appropriation is intended to fund upgrades to hardware that will support software upgrades. The Budget Committee voted 4-0 in favor of this item. Mr. Brady explained that since the Budget Committee met, new information was received on Mitel technology and costs, and Mr. Brady suggested postponing BET action in order to complete further diligence.

Upon a motion by Mr. Brady, seconded by Mr. Finger, the Board voted 12-0-0 to postpone action on this item.

GM-1 GEMS – Release of Conditions \$1,824,000

Release of Conditions:

\$1,824,000 to A440-57225 Contribution to GEMS

Mr. Pellegrino explained that this is the second half of the Town's annual contractual payment to GEMS, and the Budget Committee voted 4-0 in favor of this item. Several members expressed the need for further review of the increasing costs within the GEMS budget.

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

PR-3 Parks and Recreation – Additional Appropriation \$3,081,750

Additional Appropriation:

\$ 844,750 to Z809-59840-TBD Storm – Greenwich Point

\$ 91,700	to	Z809-59840-TBD	Storm – Grass Island
\$1,307,100	to	Z809-59840-TBD	Storm – Island Beach
\$ 674,600	to	Z809-59840-TBD	Storm – Great Captain Island
\$ 163,600	to	Z809-59840-TBD	Storm – Byram Marina
\$3,081,750	from		Capital Non-Recurring

Mr. Pellegrino explained that this appropriation will begin the repair process for Hurricane Sandy damages to the Town's islands, beaches and shoreline infrastructure in the above amounts. Mr. Pellegrino reviewed the Roberge Associates Coastal Engineers study of the damages and noted that in order for public facilities to open on time for the summer season, repairs need to begin no later than March. He further noted that competition for materials and contractors will be substantial, and it is prudent to begin the contracting process early. Mr. Pellegrino further noted that Town insurance and/or FEMA should eventually reimburse these costs. He noted that the Budget Committee focused on an estimate of all Town damage from Hurricane Sandy, which might total \$5-6 million. The Budget Committee voted 4-0 in favor of this item, with a condition that will provide flexibility in prioritizing all projects required for hurricane repair.

A discussion followed regarding the RFP process, the priority of various repair projects, the availability of contractors, the competition for materials, funding these items out of Capital Non-Recurring and insurance reimbursements flowing to the General Fund, the difficulties in transporting materials to islands, the timing of RTM approval, and clarification that the consultant's report covers only Town assets and does not include Old Greenwich Yacht Club assets.

Upon a motion by Mr. Pellegrino, seconded by Mr. Finger, the Board voted 12-0-0 to approve the application, subject to release upon receipt and approval by the Board of Estimate and Taxation of respective bids.

PR-4 Parks and Recreation – Additional Appropriation \$317,544.44

Additional Appropriation:

\$ 183.73	to	Z809-51070	Out of Class
\$107,968.58	to	Z809-51100	Overtime
\$163,091.05	to	Z809-51490	Prof. Services
\$5,360.97	to	Z809-52950	Misc. Services – NOC
\$5,688.50	to	Z809-53950	Supplies & Materials – NOC
\$24,773.00	to	Z809-54900	Maintenance – NOC
\$10,476.61	to	Z809-59830-13177	Trees at Risk
\$317,544.44	from		Fund Balance

Mr. Pellegrino explained that this appropriation is for Hurricane Sandy costs already incurred in the above amounts. The Budget Committee voted 4-0 in favor of this application.

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

NW-8 Nathaniel Witherell – Release of Conditions \$22,476,000

Release of Conditions:

\$22,476,000	to	B450-59560-12201	NW Renew
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Mr. Pellegrino reviewed the two conditions placed on this appropriation:

- 1) Subject to release by the Board of Estimate and Taxation upon the receipt of a letter from CT DSS acknowledging increased cost of construction of \$2.4 million; and
- 2) Subject to release by the Board of Estimate and Taxation upon receipt and acceptance of a revised strategy that specifies actions that can be taken to address the increased operating shortfalls of the Long Range Plan.

The Connecticut DSS letter satisfying the first condition was included in the Agenda packet. Mr. Pellegrino noted that at the Budget Committee, Nathaniel Witherell representatives presented a memorandum with ten strategic initiatives satisfying the second condition. Nathaniel Witherell discussed five initiatives including: 1) pursuing new revenue opportunities, 2) renegotiating the terms of Town services, 3) pursuing historic income tax credits, 4) working with Al Cava to renegotiate the terms of union contracts, and 5) investigating the steps to convert to a 501(c)(3) entity after Project Renew is completed.

Mr. Pellegrino further described the Budget Committee's discussion as supporting Project Renew, while questioning the impact of Nathaniel Witherell's cash flow needs on the Town of Greenwich's finances, particularly if operating conditions deteriorate and outside fundraising does poorly. Nonetheless, the Budget Committee voted 4-0 in favor of releasing the conditions. Mr. Pellegrino commended the Nathaniel Witherell Board and Building Committee for their efforts.

A discussion followed noting prior RTM votes on Nathaniel Witherell, prior operating history of the facility, future operating risks, and Nathaniel Witherell's size of employee base second only to the BOE and its responsibility to the Town's other departments.

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

### **ASSESSOR'S REPORT**

Ms. Elliott presented the Assessor's Report, highlighting completion of the 2011 Supplemental Motor Vehicle Grand List, as well as ongoing real estate Grand List litigations and settlements. A discussion followed regarding the RFP for the replacement of Assessment/Collection software, the role of the Tax Collector in the RFP process, and the timing of converting data over to new software.

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

### **COMPTROLLER'S REPORT**

Mr. Mynarski presented the Comptroller's Report to the Board, highlighting 1) the annual BAN and bond financing scheduled for January 2013 and 2) the preparation of the Town's Comprehensive Annual Financial Report for FY 2011-2012 and the associated Management Letter. A discussion followed regarding the timing and review of the CAFR. Mr. Huffman commented that the members should have a longer window for reviewing the CAFR and Management Letter. A further discussion followed about the timeline between year-end close out and the required filing date with the state.

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

## **NEW BUSINESS**

### **Approval of the HarbourVest Investment Agreements**

Upon a motion by Ms. Tarkington, seconded by Mr. Finger, the Board voted 12-0-0 to take this item out of order.

Mr. Bedrosian gave an overview of the Retirement Board's proposal and investment process, highlighting the qualifications of HarbourVest, the fit within the Retirement Board's asset allocations and investment objectives, the diligence undertaken with regard to this investment and this manager, HarbourVest's prior performance and reputation, and comparable public entities who have invested with HarbourVest. Mr. McLaughlin summarized the review conducted by the Town of Greenwich Law Department regarding this investment and associated side letters. Ms. Tarkington added that the funds will be invested in three partnerships with designated amounts, a term of 14 years, and with three side letters. Mr. Ramer summarized the 2-0 vote of the Law Committee finding the documents for this investment in legal order, and shared personal concerns with the Retirement Board's level of investment in private equity.

A discussion followed regarding the Retirement Board's investment strategy, appropriate review by the BET of managers proposed by the Retirement Board, the variety of different alternative investments such as private equity in the portfolio, and potential changes to the Retirement Board structure and investment process.

Upon a motion by Mr. Bedrosian, seconded by Ms. Tarkington, the Board voted 11-1-0 (Mr. Ramer opposed) to accept the Agreements for investment by the Retirement Board in three HarbourVest Partners limited partnerships in a total amount not to exceed \$10 million, as negotiated by the Law Department, including three side letters and separate documents for each limited partnership.

### **Approval of the Oaktree Investment Agreements**

Upon a motion by Mr. Bedrosian, seconded by Ms. Tarkington, the Board voted 12-0-0 to add this item to the Agenda.

Mr. Bedrosian gave an overview of the Oaktree investment and the increase recommended by the Retirement Board. Mr. Ramer summarized the 2-0 vote of the Law Committee finding the documents for this investment in legal order, and shared personal concerns with the process by which the investment in Oaktree was increased. A discussion followed regarding the Oaktree approval process and the review of associated side letters.

Upon a motion by Mr. Bedrosian, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the increased investment commitment by the Retirement Board, under the prior approved Agreement with Oaktree Opportunities Fund IX, from \$8 million to an amount not to exceed \$10 million, and such investment is hereby regularized and approved along

with the side letter accompanying this investment between the Retirement Board and Oaktree Opportunities Fund IX.

**ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIOD OF November 1, 2012 – November 30, 2012**

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

**BET Standing Committee Reports**

*Human Resources Report*

Mr. Johnson summarized the HR Committee's role in reviewing proposed new positions in Town government, highlighting the Conservation Commission's request to increase a part-time position to full-time, and he encouraged other Town departments to provide any similar requests as the budget season approaches. Mr. Johnson further noted that the HR Committee will review the salaries of elected officials earlier in the cycle than in previous years.

**BET Liaison Reports**

The Revaluation Team Report was included in the Agenda packet.

**BET Special Project Team Reports**

*GHS MISA / Remediation Report*

The GHS MISA / Remediation Report was included in the Agenda packet.

*Nathaniel Witherell Building Committee Report*

Mr. Norton reported the January 8, 2013 Nathaniel Witherell groundbreaking ceremony has been postponed.

*IT Strategic Plan Update*

Mr. Brady summarized the IT report included in the Agenda packet, highlighting that the Assessor and HRIS software projects are top priorities and deemed underway and not included in the BerryDunn prioritized list. The list focuses largely on management, organizational and operational issues, rather than software applications.

**NEW BUSINESS** (Continued)

**Approval of the Comprehensive Annual Financial Report, Federal and Single Audits, and Acceptance of the Management Letter for the Year Ending June 30, 2012**

Upon a motion by Mr. Norton, the Board voted 12-0-0 to approve the Comprehensive Annual Financial Report, Federal and Single Audits.

Upon a motion by Mr. Norton, the Board voted 12-0-0 to accept the Management Letter for the Year Ending June 30, 2012.

**OLD BUSINESS**

Meeting Schedules

Mr. Mason shared comments concerning the impact of changing meeting schedules, and the necessity of advance notice and posting.

**APPROVAL OF MINUTES**

BET Regular Meeting, November 19, 2012

Upon a motion by Ms. Kiernan, seconded by Mr. Pellegrino, the Board voted 12-0-0 to approve the Regular Meeting Minutes of the BET from November 19, 2012.

**CHAIRMAN'S REPORT**

Ms. Kiernan shared brief comments regarding attending the PTAC meeting and the implementation of the TOG/BOE HR Study recommendations.

Mr. Norton shared comments regarding the Nathaniel Witherell project contract signing.

**ADJOURNMENT**

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Board voted unanimously to adjourn at 8:29 P.M.

Respectfully submitted,

  
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Maria Bocchino, Recording Secretary

  
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Mary Lee A. Kiernan, Clerk of the Board

  
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Michael S. Mason, Chairman