MINUTES of the regular meeting of the Board of Estimate and Taxation held on Monday, December 17, 2018, in the Town Hall Meeting Room, Greenwich, CT.

Board members in attendance:

Jill K. Oberlander, Chair
Jeffrey S. Ramer, Vice Chairman
Elizabeth K. Krumeich, Clerk
William Drake
Andreas Duus III
Karen Fassuliotis
Debra Hess
Michael S. Mason
Leslie Moriarty
Leslie L. Tarkington
Anthony Turner
David Weisbrod

Staff: Lauren Elliott, Assessor; Roland Gieger, Budget Director, Finance Department; Eugene McLaughlin, Assistant Town Attorney; Peter Mynarski, Comptroller; Howard Richman, Tax Collector

BOE: Peter Bernstein, Chair, Board of Education; Ralph Mayo, Interim Superintendent, Greenwich Public Schools; Dan Watson, Director of Facilities, Board of Education

Other: Michael Niekamp, Director of Finance, Greenwich Emergency Medical Services (GEMS); Arthur Norton, Chair, BET The Nathaniel Witherell (TNW) Strategic Planning Committee; Patrick O'Connor, Director of Operations, GEMS; Nancy Weissler, Member, BET TNW Strategic Planning Committee

The Chair called the meeting to order at 6:38 P.M., after which the members pledged allegiance to the flag.

Ms. Oberlander welcomed BET Members and guests.

Requests for Budget Adjustments

NON-ROUTINE APPLICATIONS

<table>
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<tr>
<th>ED-8</th>
<th>BOE</th>
<th>Additional Appropriation</th>
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<tbody>
<tr>
<td>$217,000</td>
<td>Z6801689 59560 19209</td>
<td>GHS Water Damage</td>
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BET Meeting Minutes December 17, 2018 - Approved
Ms. Moriarty reported that the Budget Committee voted 4-0-0 to approve the additional appropriation of $217,000 from the Capital Non-Recurring Fund to repair water damage and replace the water pump which Mr. Watson explained they believe is due to a bad gasket in the heat exchanger responsible for the flooding in the Science Building at Greenwich High School (GHS). The urgency to bring the application to the BET is to meet the deadline of the Call for the January 2019 meeting of the Representative Town Meeting (RTM) since the RTM does not meet in February 2019. Mr. Mayo and Mr. Watson explained that the damage was limited to the Mechanical Room in the basement of the Science Building and parts and equipment were on order to make the repairs. An insurance adjuster and the Town's Risk Manager inspected the damaged area to file for insurance reimbursement, minus the policy deduction of $25,000. Parts are expected to be on-hand in 2-3 weeks and repairs completed by the end of January.

Upon a motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the BOE application for an additional appropriation of $217,000 to repair water damage at the GHS Science Building. Motion carried.

<table>
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<tr>
<th>GM-1</th>
<th>Greenwich Emergency Medical Services</th>
<th>Release of Conditions</th>
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</thead>
<tbody>
<tr>
<td>$2,371,825</td>
<td>A440 57225</td>
<td>Contribution to GEMS</td>
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Ms. Moriarty reported that the Budget Committee voted 4-0-0 to approve the release of conditions on the second half of the Town of Greenwich's annual contribution to GEMS' budget. GEMS Executive Director and Financial Officer had made a presentation about its activity exceeding budgeted goals, fiscal controls and economies and grant awards received in the first half of the fiscal year.

Upon a Motion by Mr. Ramer, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the release of conditions on the Town's contribution to the Greenwich Emergency Medical Services of $2,371,825. Motion carried.

ASSESSOR’S REPORT

The Assessor reported that the additions to the Grand List from construction permitting and the Supplemental Motor Vehicle and the Personal Property lists will be greater than estimated originally and would increase the Grand List in excess of 0.2%. Ms. Elliott is in the process of hiring an outside auditor to conduct a random selection from the 1,635 Personal Property declaration non-filers for individual audits for adding to the Grand List. Residential inspections for the 2020 Revaluation are ongoing through October 2020. In November 2018, six (6) residential real estate Assessment Appeals were resolved without litigation.

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

COMPTROLLER’S REPORT

The Comptroller reported that a Request for Proposal (RFP) would be issued seeking new financial software in order to research what updates could be obtained and what functions competitors might offer that would improve current functioning of the Town's MUNIS accounting system. It is anticipated that the Board of Education Capital Projects Review, the 2020 Grand
List Revaluation and the 2020 Government Accounting Standards Board (GASB) accounting format changes predicted in the Auditor’s recommendations will require new database software or additional modules to enhance MUNIS’ functionality. Mr. Mynarski commented on the filling of Finance Department vacancies and advised the Board that the Treasurer had announced her resignation. The Retirement Board’s recordkeeping transition from TransAmerica to Empower is expected to be completed by December 31, 2018, except for TransAmerica’s last responsibility, that is distributing Town employees’ 1099 forms by January 31, 2019. Members of the Board asked for additional information about State reimbursements for school construction projects.

Upon a motion by Mr. Weisbrod, seconded by Ms. Hess, the Board voted 12-0-0 to accept the Comptroller’s Report. Motion Carried.

TREASURER’S REPORT

The Chair asked for questions about the Treasurer’s Report showing investment portfolio activity for November 2018 and, hearing none, noted that the BET had received the Report and would forward it to the Audit Committee to be filed for review by the outside auditor.

BET Standing Committee Report

- **Audit Committee** – Mr. Weisbrod advised the Board that he would make remarks regarding recent activity in the Audit Committee under New Business.

- **Budget Committee** – Ms. Moriarty reminded BET members of upcoming meeting dates relating to the Town’s budgeting process including: Tuesday, December 18, 2018, First Selectman’s Capital Improvement Project Presentation; Thursday, January 24, 2019, First Selectman Budget Presentation, BOE Budget Presentation and Public Hearing; and Thursday, January 31, 2019, BOE Budget Presentation. Meetings with Department heads are being scheduled in February 2019.

BET Special Project Team Reports

- **TNW Strategic Planning Committee** – The TNW Strategic Planning Committee Chair, Mr. Norton, updated the BET on the Committee’s oversight of the work of the consultants: Health Dimensions Group (HDG) (Operations and Options) and PKF O’Connor-Davies (Accounting). A Sub-Committee is reviewing TNW wages and benefits as they compare to comparable skilled nursing facilities. Board Members were invited to the Committee’s next meeting on Wednesday, December 19, 2018, when the review of financial statements and guidelines on best practices will be discussed. An initial draft of the first half of the HDG report will be delivered shortly to the Committee, and the second half of the draft Report is expected to be received next week. Board members were also invited to join the Committee for a webinar on Thursday, January 10, 2019, when HDG would discuss its draft report and a meeting (subsequently postponed) on Wednesday, January 23, 2019, when HDG would meet with the Committee at 1:00 P.M. before delivering its final Report to a joint meeting of the BET and The Nathaniel Witherell Board of Directors. Recognizing the complexity of the consulting work, both consultants agreed to revised completion dates (without additional charges).

- **Education** – Ms. Moriarty reported the BET Education Liaisons (Ms. Moriarty, Ms. Hess)
had met with the BOE and BlumShapiro, Consultants on the BOE Construction Processes and Maintenance Review (the Study) to discuss progress on the Study. BlumShapiro reported that the first phase of its Study, that is interviews, was almost complete, and preliminary documentation is being prepared. A more comprehensive findings and recommendations report is expected in early January 2019, and its final report presentation at the end of January 2019.

Old Business (none discussed)

New Business
- Approval of the Comprehensive Annual Financial Report (CAFR) Fiscal Year 2018
- Approval of Federal Single and State Single Audits
- Approval of Management Letter for the Year ending June 30, 2018

Mr. Weisbrod asked Mr. Mynarski to update the BET on the meeting with RSM US LLP (the Town’s Outside Auditor) on the Audit of the Town’s finances, the Federal & State Single Audit and the firm’s Management Letter. Mr. Mynarski reported that after a meticulous presentation by RSM’s accounting team led by Jen Katz of RSM, the Town received a “clean” Audit of the Comprehensive Annual Financial Report (CAFR) for FY2018, the Federal Single and State Single Audits (the Single Audits) and the Management Letter for the Year ending June 30, 2018 (the Management Letter), with no material weaknesses or deficiencies. There were two comments in the Management Letter: (i) the need to change revenue recognition for grants and to record differently the receipt of revenue from a grant at the close of one fiscal year and its expenditures in the next fiscal year, and (ii) the need for succession planning for the Finance Department’s senior positions. RSM noted that the unexpected leave of the Chief Accountant made it more problematic to close the Town’s accounting books and records at fiscal year-end. RSM encouraged the Finance Department to plan for successions in its senior ranks, as well as to maintain the independence of the outside accounting firm. The Audit Committee approved the Audit subject to Mr. Weisbrod’s final review to concur that no material changes had taken place during the auditor’s final input of edits to the CAFR, the Single Audits or the Management Letter.

Pursuant to new GASB formatting requirements in the 2020 Audit, the Town is seeking new database software to facilitate the establishment of an inventory of the Town’s leases. The Chair thanked the Finance Department for rapidly addressing the recommendations of the Outside Auditor and providing the support needed to complete the Audit for transmittal to the State’s Office of Planning & Management (OPM) by the deadline of December 31, 2018.

Upon a motion by Mr. Weisbrod, seconded by Ms. Hess, the BET voted 12-0-0 to approve the CAFR, the Federal Single & State Single Audits and the Management Letter with the understanding that Mr. Weisbrod will review the adjustments made to finalize RSM’s report before forwarding the final report to the OPM and will advise the Board if there are any material changes. Motion carried.

• Resolution Concerning Cash Management – The Board reviewed the current Cash Management Resolution marked-up in red. The Town has a program to invest in Certificates of Deposits (CDs) through Alvarez & Marsal (A&M) and A&M has elected to withdraw from the CD business. Based on 60-day notice from A&M, the Treasurer
proposed adding a new broker-dealer firm (Financial Northeastern Securities Inc. (FNS)) to replace Alvarez & Marsal, adding the Dreyfus Fund Family as a Mutual Fund sponsor, adding Pershing as custodian holding the CDs and engaging Pershing to provide software as a source for the IDC rankings of financial institutions.

- The decision to invest the Town’s U.S. Treasury positions through JP Morgan Securities, is being made to diversify deposits to avoid excessive concentration in certain banks and increase potential interest yield.

Upon a motion by Mr. Weisbrod, seconded by Mr. Duus, the BET voted 12-0-0 to approve the Cash Management Resolution to add additional banking organizations and financial instruments in order to diversify depositories and increase interest yield. Motion carried.

- Human Resources – Request for additional stipends for the Registrars of Voters – The Chairman requested that the BET make an administrative correction to reflect the intention of the HR Committee at its February 2018 meeting. The Committee and the BET had increased the salaries of the Registrars of Voters by 2.5% in 2019 and again in 2020. Mr. Turner explained that a correction was needed in order to pay a stipend to each Registrar for each Primary regardless of Party or Parties calling for a Primary as opposed to the motion that was voted on by the Committee and as a result would have paid only one Registrar if one Party called a Primary. Mr. Turner agreed that Committee members would provide a Resolution to be voted on at the BET’s January meeting.

Chair’s Report

The Chair wished the members of the BET a safe and happy holiday.

Approval of the BET Meeting Minutes

Upon a motion made by Ms. Krumeich, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the Minutes of the BET Regular Meeting held on October 23, 2018. Motion carried.

Upon a motion made by Ms. Krumeich, seconded by Mr. Ramer, the Board voted 12-0-0 to approve the Minutes of the BET Regular Meeting held on November 19, 2018. Motion carried.

Adjournment

Upon a motion by Mr. Duus, seconded by Ms. Fassuliotis, the Board voted 12-0-0 to adjourn the meeting at 7:42 P.M. Motion carried.

The next Regular Meeting of the BET will be held on Tuesday, January 22, 2019, at 5:30 p.m. in the Cone Room.

The First Selectman’s Presentation of the Town’s FY2020 Budget and the BOE’s FY2020 Budget will commence on Thursday, January 24, 2019, at 6:00 P.M. in the Town Hall Meeting Room. A Public Hearing will follow the budget presentations.
Respectfully submitted,

Catherine Sidor, Recording Secretary

Elizabeth K. Krumelich, Clerk of the Board

Jill K. Oberlander, Chair