



MINUTES of the regular meeting of the Board of Estimate and Taxation held on Tuesday, February 19, 2008 in the Town Hall Meeting Room, Greenwich, CT.

Chairman Stephen Walko called the meeting to order at 6:33 P.M., after which the members pledged allegiance to the flag.

Board members in attendance:

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

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

Staff: Peter Mynarski, Comptroller; Roland Gieger, Budget Director; Ted Gwartney, Assessor

ROUTINE APPLICATIONS – from Budget Committee:

FL-1 Fleet – Additional Appropriation - \$42,000

Additional Appropriation:
\$42,000 to A380-53500 Purchase Fuel to 6/30/08
\$42,000 from Contingency

FL-2 Fleet – Additional Appropriation - \$83,000

Additional Appropriation:
\$83,000 to A380-53510 Purchase Parts to 6/30/08
\$83,000 from Contingency

PW-4 Department of Public Works - Additional Appropriation - \$640,000

Additional Appropriation:
\$640,000 to Z312-59600-28134 Nor'easter Damage Repairs
\$640,000 from Capital Non-Recurring Fund

PW-5 Department of Public Works - Additional Appropriation - \$87,000

Additional Appropriation:
\$87,000 to Z312-59600-28011 Highway Maintenance
\$87,000 from Capital Non-Recurring Fund

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

NON-ROUTINE APPLICATION – from Law Committee:

SE-17 First Selectman - Resolution Clean Fuel Program

Ms. Barton presented the resolution:

Resolved that the First Selectman is authorized to apply for and accept grants and to execute agreements regarding said grants, made by the State of Connecticut Department of Transportation, under the Connecticut Clean Fuel Program and such proceeds shall be added by the Comptroller to the appropriate revenue account.

Ms. Lavery stated the need to review the Town's needs together with the related type and size of vehicles to be acquired.

In response to Mr. Walko, Ms. Barton said that the language of the last line of the resolution had been discussed with the Budget Director.

Upon a motion by Ms. Barton, seconded by Mr. Krumeich, the Board voted 12-0-0 to approve the resolution.

ASSESSOR'S REPORT

Mr. Gwartney presented the Assessor's report.

In response to Mr. Simon, Mr. Gwartney said that the personal property value increase reflects the audits that were conducted. The impact of the refunds to GE will not be reflected until the tax bills are issued beginning with July 2008 and then the following two years.

In response to Mr. Campbell, Mr. Gwartney confirmed the reason for the decrease in vacant land and apartments was because the number of properties in those categories has decreased.

Mr. Walko requested a better breakout of the data processing issues in the March report.

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

BET COMMITTEE & LIAISON REPORTS

Mr. Walko stated that the following committee reports were included in the board packets for review:

Human Resources Committee - Leslie Tarkington
Nathaniel Witherell Building Committee - Leslie Tarkington
Audit Committee - Arthur Norton
OPEB Ad Hoc Committee - Robert Stone

There were no questions concerning the reports. Mr. Walko stated that written reports will continue for a few months in place of oral reports to help expedite the flow of information.

Hamilton Avenue Building Committee - Stephen Walko

In response to Mr. Simon's request, Mr. Walko reported that Hamilton Avenue School construction is progressing, but there will be more information available in early March. URS advised they are no longer needed on the project. Under the current schedule as reviewed by URS, it is still anticipated that the completion date will be around the end of May and even with some of the current delays, if staffing levels continue to increase, the completion date should still be within the month of June.

In response to a question by Mr. Kelly on the availability of the BET Committee reports to the public, Mr. Geiger said that the Board packet is posted in PDF format on the website. Further, Mr. Walko stated that the RTM is reviewing the Town's website and found many procedures to be outdated and dating prior to the charter change of the consolidated budget presented by the First Selectman. Randall Huffman, who heads up that group on behalf of the RTM has been in contact with Mr. Walko and Mr. Mynarski, who is reviewing the Finance website and is having someone from his staff redraft those procedures to be in accordance with current practice.

COMPTROLLER'S REPORT

Mr. Mynarski presented the Comptroller's report.

In response to Ms. Tarkington, Mr. Mynarski said that they would come back to the BET for approval of the retirement board's \$10 million investment in the AIG fund. Also, Mr. Mynarski said that the reduction in insurance premiums for Nathaniel Witherell were due to changes in the market and better performance inspections at Witherell. The town's risk manager and Mr. Mynarski met with Mr. Kowalewski, Executive Director, and suggested that Witherell's insurance policy have a similar renewal date with the other town policies.

In response to Mr. Stone, Mr. Mynarski said that the current town financial advisor, Independent Bond and Investment Consultants based in Madison, CT, was originally engaged in 2001 as a result of an RFP. They have worked on all Town debt issues since.

In response to Mr. Walko and at Mr. Mynarski's request, Mr. Simon stated that unlike the retirement board plan instead of revising an existing document, with OPEB they would create a new plan document which would be considerably simpler. The town would have a document that defines how it provides benefits.

In response to Ms. Tarkington, Mr. Mynarski said the proposed BOE childcare program at Parkway would be responsible to pay insurance premiums and deductibles through its RRR fund (reserved for restricted receipts).

In response to Mr. Norton, Mr. Mynarski said the Finance Department calls the State of CT every week regarding the Bendheim Western Greenwich Civic Center \$500,000 reimbursement.

Mr. Walko congratulated Mr. Mynarski and the Finance Department on the Safety Committee report. In turn, Mr. Mynarski thanked the other members of the committee, and said that the town's committee was singled out as the template to be used by other towns.

Upon a motion by Mr. Mason, seconded by Ms. Tarkington, the Board voted 12-0-0 to approve the Comptroller's Report.

ACCEPTANCE OF TREASURER'S REPORT SHOWING INVESTMENT PORTFOLIO ACTIVITY FOR THE PERIODS OF JANUARY 1, 2008-JANUARY 31, 2008

Mr. Mynarski presented the treasurer's report. He requested approval of the continued use of Evergreen Investments (now Wachovia) and Blackrock when the board addresses the new business section of the agenda.

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

APPROVAL OF MINUTES

Upon a motion by Mr. Mason, seconded by Mr. Stone, the Board voted 11-0-1, to approve the Special Meeting Minutes of the BET from January 14, 2008. Mr. Simon abstained.

Mr. Kelly requested that his middle initial be changed.

Upon a motion by Mr. Norton, seconded by Mr. Mason, the Board voted 12-0-0, to approve the Regular Meeting Minutes of the BET from January 22, 2008.

OFFICER'S REPORT

Mr. Walko asked that during the budget cycle board members share emails or comments from constituents with other members of the board, either by forwarding them to the Finance Department or directly themselves.

With respect to the special project teams, Mr. Walko is working with the town attorney to determine whether they are subject to FOI and whether agendas should be posted and minutes taken. Mr. Walko asked that the teams get together and propose a charge for that particular team. The special project teams are to report at the March BET meeting a proposed charge and a general time frame by which the work can be done. The comptroller or the assessor should be included in meetings or discussions regarding the task. In part both Mr. Mynarski and Mr. Gwartney will be judged on their performance based on how these special project teams work, interact, and accomplish their tasks.

If the special project teams are subject to FOI, because no votes are taken by the special project teams, all that will be required are agendas to be posted. Minutes would indicate that the team met, the time of the meeting, the end of the meeting, and who was present.

NEW BUSINESS

Acceptance and Approval of Fiscal Year July 1, 2006 to June 30, 2007 Comprehensive Annual Report (CAFR)

Upon a motion by Mr. Norton, seconded by Mr. Mason, the board voted 12-0-0 to accept the CAFR.

Resolution Concerning Cash Management and the authority to utilize certain Banks and other Financial Institutions

The previously approved cash management resolution includes a list of approved financial institutions and limits investments to US government obligations portfolios. In response to Mr. Stone, Mr. Mynarski stated that Blackrock will be used for U.S. Treasury and agencies.

Upon a motion by Mr. Norton, seconded by Mr. Finger, the board voted 12-0-0 to approve the resolution to add Blackrock and Evergreen Investments to the approved financial institutions with which the Town can invest monies.

Resolution to authorize Refunding of the January 1, 2003 General Obligation Bonds Issuance

Mr. Mynarski made the presentation including discussion of the:

Resolution with respect to the authorization, issuance, and sale of not exceeding \$22,000,000 Town of Greenwich general obligation refunding bonds.

Section 1. Not exceeding \$22,000,000 General Obligation Refunding Bonds of the Town of Greenwich (the "Refunding Bonds"), or so much thereof as the Comptroller shall determine in the best interests of the Town as necessary to maximize net present value savings and/or to moderate debt service payments, are hereby authorized to be issued to refund all or any portion of the principal amount outstanding of the Town's \$24,830,000 General Obligation Bonds, dated January 1, 2003 (the "Refunded Bonds"). The Refunding Bonds shall be sold either in a negotiated underwriting or a competitive offering, and at such time or times as the Comptroller shall determine to be most opportune for the Town. The Refunding Bonds shall mature at such time or times and in such principal amounts as shall be determined by the Comptroller, provided, that no Refunding Bonds shall mature later than the final maturity date of the last maturity of the Refunded Bonds. The Refunding Bonds shall bear interest payable at such rate or rates as shall be determined by the Comptroller, shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Chairman of the Board of Estimate and Taxation and the Treasurer, and countersigned by the Comptroller, have the seal of the Town or a facsimile thereof affixed and attested by the Town Clerk, and be approved as to their legality by Robinson & Cole LLP, Bond Counsel. The Refunding Bonds shall be general obligations of the Town and each of the Refunding Bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The aggregate denominations, form, details, and

other particulars thereof, including the terms of any rights of redemption and redemption prices, the certifying, paying, registrar and transfer agent, shall be subject to the approval of the Comptroller. The net proceeds of the sale of the Refunding Bonds, after payment of underwriters' discount and other costs of issuance, shall be deposited in an irrevocable escrow account in an amount sufficient to pay the principal of, interest and redemption premium, if any, due on the Refunded Bonds to maturity or earlier redemption pursuant to the plan of refunding. The Comptroller is authorized to appoint an escrow agent and other professionals and to execute and deliver any and all escrow, investment and related agreements necessary to provide for such payments on the Refunded Bonds and to provide for the transactions contemplated hereby. The Comptroller is authorized to prepare and distribute a preliminary and a final Official Statement of the Town of Greenwich for use in connection with the offering and sale of the Refunding Bonds, and he is hereby authorized to execute and deliver on behalf of the Town a Bond Purchase Agreement, a Continuing Disclosure Agreement and a Tax Regulatory Agreement for the Refunding Bonds in such form as he shall deem necessary and appropriate.

Section 2. This resolution shall be effective until December 31, 2008.

Ms. Tarkington said that it would be helpful for Mr. Mynarski to provide the board with the issuance and other upfront costs of the refunding. Mr. Simon questioned the bulk of the savings being in the first two years. In response, Mr. Mynarski said that it's a 20 year bond with a call date after 5 years. The 2003 issue has a call date of June 1, 2008.

In response to Mr. Mason, Mr. Mynarski said the homeowners in Milbrook and in North Mianus will see the difference in their tax bills on January 1, 2009, and April 1, 2009, respectively.

In response to Mr. Walko, Mr. Mynarski said that on advice of the bond counsel, RTM approval is needed. Ms. Barton added that although the Law Committee has not reviewed the resolution, Ms. Barton and Mr. Campbell discussed it with the Finance Department and Town Attorney Fox, and both are fine with it. Mr. Mason recommended that there should be no need to bring this to the RTM. Mr. Mynarski said that he would look into it.

Upon a motion by Mr. Norton, seconded by Mr. Finger the board voted 11-0-1 to approve the resolution. Mr. Mason abstained.

Resolution – OPEB Transfer

Upon a motion by Mr. Stone seconded by Mr. Simon, the board voted 12-0-0 to approve the resolution that the assets remaining in the OPEB Reserve Fund be transferred to the OPEB Trust, effective February 20, 2008.

Resolution – OPEB Trust – Target Allocations for the Investment Portfolio

It is hereby resolved that: a target allocation of 65% equities, and 35% fixed income, be established for the investment portfolio of the OPEB Trust and that transfers of \$500,000 monthly be made from the fixed income to the equity segment until such targets have been achieved, with the last transfer being of a lesser amount so as not to exceed the designated target; and that

The equity segment be apportioned 80% domestic, using Vanguard's Total Stock Market Index Fund, and 20% international, using Vanguard's Total International Stock Index Fund; and that

The OPEB Trust rebalance its investment portfolio annually in July of each year, using fiscal year-ending June 30th figures as soon as they are available, to complete the necessary transactions and accounting entries.

Upon a motion by Mr. Stone, seconded by Mr. Simon the board voted 12-0-0 to approve the resolution.

Resolution – OPEB Trust Discount Rate

Mr. Walko commented that powers of the OPEB Board are delineated in section 6.2 of the language passed by both the BET and the RTM. The Ad Hoc Committee will create the procedure by which the BET votes on, approves the board, and any other procedures that need to be in place. It is expected that the OPEB Ad Hoc Committee will not be needed by 2009.

Upon a motion by Mr. Stone stating whereas, after deliberation by, and recommendations from the Ad Hoc OPEB Committee and the Board of the OPEB Trust, it is resolved, that the discount rate used for actuarial purposes for the OPEB Trust be set at 7.75%, seconded by Mr. Simon the board voted 12-0-0 to approve the resolution.

Mr. Stone reported the need for an OPEB standard plan. Outside resources would be required to develop such a plan, and asked for any comments concerning resistance to providing the required financial support. Mr. Simon said the amount would be from \$5,000 to \$10,000.

In response to Mr. Walko, Mr. Stone said when there is better knowledge of the expected cost the Board will come before the BET with a resolution to support the expenditure. In response to Mr. Krumeich, Mr. Walko said that a resolution would be appropriate to create a record.

ADJOURNMENT

Upon a motion by Mr. Kelly, seconded by Mr. Ramer the board voted 12-0-0 to adjourn at 7:43 p.m.

Respectfully submitted,

Maria Bocchino, Recording Secretary

Leslie L. Tarkington, Clerk of the Board

Stephen G. Walko, Chairman