

## **BOARD OF FINANCE MEETING**

December 11, 2008 8:00 PM

### **TOWN HALL MEETING ROOM**

Present: Chairman Mike O'Brien, Board members Bob Atkinson, Patty Kopas, David Muller, Melissa Koller, Michael Carter, Finance Director Rick Darling, Town Administrator Tom Landry, Ken Doyle representing Wachovia Bank, resident Margaret Wirtenberg and Donna M. Anastasia, Secretary. Jerry Sargent was absent.

Meeting was called to order by Chairman O'Brien at 8:03 PM.

The Board agreed to hear Item 2. first on the agenda.

#### **Discussion/decision regarding recommended OPEB custodial services agreement with Wachovia.-Rick Darling**

Wachovia Bank has been appointed to provide custodial services for the Town/School OPEB Trust fund. Mr. Ken Doyle gave a brief overview on how the account will be handled. FIA will be responsible for the asset allocation, portfolio monitoring, comparison studies and custody bank analysis while Wachovia will assist in the balancing and trade of the account. He explained that while Weston's account would be considered small the return realized would be the result of 'pooling' assets for a greater return even though the account is still held out separately. There is no security blending allowed. Wachovia is currently independent however a merger with Wells Fargo Bank is in the works. There were questions regarding the current economic climate and the disposition of assets in the event of a bank failure. Mr. Doyle assured the board that assets are not co-mingled and this account would be held separately and there would be no dispute due to the trust status of the account.

Bd of Finance 12/11/08

Mr. Doyle explained the asset based fee schedule which would currently cost \$5,000. until the account grows. Wachovia's fee covers the initial set-up of the account. The Town's Legal Counsel has approved the custodial services of Wachovia Bank.

**Motion:** Mr. Muller made a motion to approve the OPEB custodial services agreement with Wachovia Bank subject to the receipt of a fully executed agreement with Fiduciary Investment Advisors LLC. Ms. Kopas seconded, motion carries.

**Discussion/Decision regarding proposed supplemental appropriation or Insurance Reserve transfer in the amount of \$22,900 for the purpose of meeting current year OPEB obligations ( \$4,100 school; \$18,800 Town).- Tom Landry.**

Mr. Landry explained the intent of this supplemental request is to cover the current year OPEB obligation and not fall further behind. Our projections were based on numbers from the first Milliman report which did not include the Fire Department. The second Milliman report reflects amounts due totaling \$18,800.00 to cover the Town's current obligation and \$4,100.00 to cover the School's obligation. There are currently two options available to cover the balances; General Fund surplus or the Town/School insurance reserves. These reserves have been set aside and not returned to the General Fund in the event of such unforeseen expenses.

**Motion:** Ms. Kopas made a motion to approve the supplemental appropriation from the Insurance Reserve Fund in the amount of \$22,900. to cover the current year OPEB obligations for the Town and the Schools. Mr. Atkinson seconded, motion carries unanimously.

Bd of Finance 12/11/08

**Discussion/decision regarding recommended investment consulting agreement with Fiduciary Investment Advisors. Rick Darling**

The FIA Investment Consulting Agreement has been reviewed by Legal Counsel and the Board of Selectmen however, all members of the Board Finance will require the review, possible amendments to the statement, final Investment Policy Statement before executing the agreement.

Rick Darling will follow-up with FIA to have the Policy Statement in time for the next meeting.

**Discussion/Decision regarding FY09-10 budget guidance to the Board of Education and Board of Selectmen.**

There was discussion regarding the joint meeting held the previous week with the Board of Finance, Board of Selectmen and the Board of Education. Mr. Landry overall is anticipating a significant drop in revenue including non-tax revenue, conveyance tax revenue and a sufficient fall in Grand List growth.

Also discussed at length was two approaches to the budget; the idea of a percentage change number to work with right now, or once budgets are prepared to scale down at that point to an agreeable number.

Mr. Belair mentioned that while enrollment was down 29 students this year there is a 61 student increase for next year. Primarily in grades K, 3,6 and 9. There is some speculation that the increase is due to children transferring out of private schools. Mr. Carter would like to see two budgets from the schools to clearly see the impact of the percent change of two scenarios and its effect on class size, program changes etc. He also commented on the excellent job Dr. Keating did in creating a school copier center.

Other Towns were discussed that are facing the same budgetary challenges and that all areas of the budget, departmentally and as a whole must be looked at carefully.

Mr. Belair noted that the workshops will be held on January 12<sup>th</sup> 14<sup>th</sup> and 16<sup>th</sup> in the morning. Mr. Muller suggested a status report upon completion of the January 16<sup>th</sup> workshop to give the board an early start. In addition Dr. Keating said she will have the Health benefits numbers by mid January as well.

Bd of Finance 12/11/08

**Approval of Meeting Minutes of November 13, 2008.**

Mr. Carter amended the last paragraph, first page of the Nov. 13<sup>th</sup> minutes. Ms. Kopas made a motion to approve the minutes of November 13, 2008 as amended, Mr. Muller seconded, motion carries.

With no further business to be brought before this Board, meeting adjourned at 10:02 PM.

Respectfully submitted  
Donna M. Anastasia, Secretary