

Approved as amended
March 13, 2008

BOARD OF FINANCE
Meeting of Thursday, February 14, 2008
8:00 PM Town Hall Meeting Room

Board Members Present: Chairman Michael O'Brien, Ms. Patty Kopas, Mr. Michael Carter, Mr. Bob Atkinson, Mr. David Muller and Ms. Melissa Koller.
Secretary Donna M. Anastasia. *Absent:* Vice Chairman Jerry Sargent.

Also Present: First Selectman Woody Bliss, Finance Director Rick Darling, Ernie Albin from Commission on Aging, Brian Gioiele from the Weston Forum, Town Administrator Tom Landry, representing the Weston Fire Department Larry Roberts and Curtis Gunn, Margaret Wirtenberg, Wilson Rd and several Weston residents.

Meeting called to order at **8:06 PM**.

Discussion/Decision regarding proposed Senior Property Tax Freeze.- Woody Bliss, First Selectman.

This was an informational item by the First Selectman to update the Board of Finance on the new tax program option. First Selectman Woody Bliss gave an overview of the Town's Tax Abatement/Deferral program offered to Weston residents 65 years or older with certain income/asset limits. In addition to the two programs offered to seniors the Town of Weston would include a Tax Freeze program. This program would allow residents to "carry over" subsequent tax increases with zero interest until the residence is sold or transferred. This lien could prevent the homeowner from refinancing or obtaining a mortgage on the subject property. Applications must be filed by May 15th each year at which time real estate taxes will be 'frozen' at the prior Grand List evaluation. State statute limits the duration of the program to a maximum of 14 years.

The addition of a Tax Freeze option is supported by Weston Cares and the Commission on Aging. The new ordinance which includes the Tax Freeze portion has been drafted by Town Counsel.

Discussion/decision regarding proposal to establish trust fund for OPEB liabilities.

There was discussion regarding the Trust draft and OPEB ordinance draft which has been prepared by Natalie Welsh of Shipman & Goodwin and reviewed by Cohen & Wolf. Chairman O'Brien recommended the Town Treasurer act as the Fiduciary agent for the Trust who would then take direction from the Board of Finance. The Trust Board will consist of the entire Board of Finance members. Mr. Darling noted that the BOE has yet to furnish the necessary information to complete the total of the Town's OPEB liability. Further discussion will be heard on this item at the next regular BOF meeting.

**TOWN OF WESTON
OTHER POST-EMPLOYMENT BENEFITS
DRAFT TRUST AGREEMENT**

THIS TRUST AGREEMENT is made and entered into as of [_____], 2008 by and between the Town of Weston (the "Town") and the Town Treasurer (the "Trustee").

WHEREAS, pursuant to collective bargaining agreements and the Town's policies and procedures manual, as amended from time-to-time, the Town has established one or more plans that provide for certain contributions and certain post-employment benefits, including retiree medical benefits, but excluding pension benefits (collectively "OPEB Benefits") for certain groups of employees and retirees of the Town and Board of Education (collectively "Retirees") which are named in Exhibit A as amended from time to time (collectively the "Plan");

WHEREAS, the Town has adopted an ordinance pursuant to Connecticut General Statutes Section 7-450 to establish a trust to hold and invest Plan assets and an Other Post-Employment Benefits Board of Trustees (the "OPEB Board") to oversee the investment of such assets (the "Ordinance");

WHEREAS the Town desires to fund OPEB Benefits through the trust herein established (the "Trust");

WHEREAS, as required under Section 115 of the Internal Revenue Code of 1986, as amended (the "Code"), the provision of OPEB Benefits to Retirees is an essential governmental function and an integral part of the exempt activities of the Town;

WHEREAS, the Town calculates and records the expenses and liabilities of OPEB Benefits pursuant to Government Accounting Standards Board ("GASB") Statement 45 ("GASB 45");

WHEREAS, consistent with the provisions of GASB 45 and GASB Statement 43 (“GASB 43”), the funds which will be contributed to the Trust, as and when received by the

Trustee, and earnings and losses thereon shall constitute a trust fund (the “Trust Fund”) which shall be irrevocable and shall be held for the benefit of Retirees in accordance with the Plan;

WHEREAS, consistent with the provisions of GASB 45 and GASB 43, the Trust assets shall be legally protected from creditors of the Town; and

WHEREAS, the Town desires the Trustee to hold and administer the Trust Fund, and the Trustee is willing to hold and administer such Trust Fund, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants contained herein, the Town and the Trustee agree as follows:

ARTICLE I - CREATION OF TRUST

1.1 *Creation of Trust.* Pursuant to the Ordinance, the Town (i) created a Trust consisting of such sums as shall be paid to the Trustee, and all amounts thereafter contributed under the Plan, and the earnings and appreciation thereon, less the losses and depreciation thereon and less payments made by the Trustee under the Plan and this Trust Agreement with respect to Retirees; and (ii) designated the Town Treasurer the trustee of the Trust Fund. For purposes of this Declaration of Trust, the Town Treasurer shall be deemed to be the “Trustee”. The Trustee hereby agrees to accept said appointment as Trustee hereunder.

1.2 *Exclusive Purpose of Trust.* *The Trustee shall hold the assets of the Trust for the exclusive purpose of providing benefits to Retirees and defraying reasonable expenses of administering the Plan and Trust. No part of the net earnings of the Trust shall inure to the benefit of the Town or any other person, except through the payment of benefits permitted under the Trust.*

1.3 *Incorporation of Plan and Ordinance.* The provisions of the Plan and the Ordinance shall be read as an integral part of this Trust Agreement, and are specifically incorporated herein by reference.

1.4 *Protection of Trust Assets.* All assets of the Trust shall be legally protected from creditors of the Town to the full extent of applicable law.

ARTICLE II – CONTRIBUTIONS

2.1 *Receipt of Contributions.* The Trustee shall receive any contributions paid to it in cash or in the form of such other property as it may from time to time deem acceptable and which shall have been delivered to it. All contributions so received, together with the income there from and any other increment thereon, shall be held, invested, reinvested and administered by the Trustee pursuant to the terms of this Agreement without distinction between principal and income. The Trustee shall not be responsible for the calculation or collection of any contribution under the Plan, but shall be responsible only for property received by it pursuant to this Agreement.

2.2 *Compliance with Laws.* This Agreement and the Trust Fund hereunder are intended to meet the requirements of Section 115 of the Code and Section 7-450 of the General Statutes of Connecticut, Revised January 1, 2007, as amended (the “Connecticut General Statutes”).

ARTICLE III – PAYMENTS FROM TRUST FUND

3.1 *Payments Directed by the Town.* The Trustee shall from time to time at the Town’s direction make payments out of the Trust Fund to the persons or entities to whom such monies are to be paid in such amounts and for such purposes as may be specified in the Town’s directions. Such direction may include direction to reimburse the Town for OPEB Benefits or related expenses initially paid from a Town account. The Trustee shall be under no liability for any payment made pursuant to the direction of the Town. Any direction of the Town shall constitute a certification that the distribution or payment so directed is one which the Town is authorized to direct.

3.2 *Impossibility of Diversion.* It shall be impossible at any time for any part of the Trust Fund to be used for, or diverted to, purposes other than to provide the benefits contemplated under the Plan for the exclusive benefit of Retirees, except that any taxes and administration expenses for which the Trust is liable may be made from the Trust Fund as provided for herein.

ARTICLE IV – DUTIES OF THE TOWN

4.1 *General.* The OPEB plans of the groups listed on Exhibit A, as amended from time to time, constitute the Plan. The Town shall amend Exhibit A if and when the information required to be contained therein changes. After the execution of this Trust Agreement, the Town shall promptly file with the Trustee a certified list of the names and

specimen signatures of any individual authorized to act for the Town. The Town shall promptly notify the Trustee of the addition or deletion of any person's name from such list. Until receipt by the Trustee of notice that any person is no longer authorized to so act, the Trustee may continue to rely on the authority of the person. All certification, notices, and directions by any such person or persons to the Trustee shall be in writing signed by such person or persons. The Trustee may rely on any such certification, notices, and direction purporting to have been signed by a duly authorized officer or agent of the Town that the Trustee reasonably believes to have been signed thereby.

4.2 *Contributions.* The Town shall make contributions to the Trust from time to time as it may, in its sole discretion, deem appropriate. Employee and/or Retiree contributions, to the extent required under the Plan, shall be deposited to the Trust as soon as administratively practicable. The Trustee shall have no duty or authority to ascertain whether contributions should be made by the Town or to bring an action to require the Town to make such contributions.

4.3 *Indemnification of Trustee.* Without limiting any other indemnification that may apply under applicable law, the Town shall indemnify and hold harmless the Trustee for any liability or expense, other than liability and expenses incurred as a result of any willful or wanton act of the Trustee, including without limitation reasonable attorney's fees, incurred by the Trustee with respect to holding, managing, investing, or otherwise administering the Trust Fund.

ARTICLE V – INVESTMENTS

5.1 *Responsibility for Investment.* Except as provided in Section 5.2 of this Article, upon receipt of direction from the OPEB Board, the Trustee shall have the power to invest and reinvest the Trust Fund.

5.2 *Appointments of Custodian, Investment Manager or Consultant.* Upon approval by resolution of the OPEB Board, the Chairman of the Board of Finance shall have the power and authority to enter into (i) a custodial agreement with an institutional custodian who shall serve as custodian of the monies and securities in the Trust Fund pursuant to the terms of said agreement; (ii) an investment management agreement with an investment manager who shall direct the investment and reinvestment of all or a portion of the Trust Fund (the "Separate Account"); and (iii) any other agreement necessary to retain a consultant to provide advice with respect to the management of the Trust Fund. Without limiting any other indemnification that may apply under applicable law, the Trustee, OPEB Board and Chairman of the Board of Finance, as applicable, shall have no liability for: (i) the acts or omissions of an investment manager; (ii) following the investment directions of an investment manager; (iii) failing to act in the absence of investment manager direction; or (iv) any diminution in the value of the Trust Fund as a result of following the direction of an investment manager. A custodian, investment manager or consultant may be removed by resolution of the OPEB Board. In the event of such a removal, or resignation, the power and authority to invest and reinvest the Separate Account formerly under the control and management of an investment manager will return to the Trustee, subject to

Section 5.1 above, unless the OPEB Board appoints a successor investment manager with respect to such assets.

5.3 *Investment Subject to Prudent Investor Rule.* The assets of the Trust Fund, whether invested by the Trustee or by an investment manager appointed by the OPEB Board, shall be invested and managed in compliance with the prudent investor rules set forth in the Connecticut General Statutes Sections 45a-541 to 45a-541l, inclusive, as it may be amended from time to time, a copy of which, as in effect on the effective date of this Agreement, is attached hereto as Exhibit B.

5.4 *Investment Policy.* The OPEB Board shall adopt an investment policy. Such policy may be amended from time-to-time. The Trustee, custodian and investment manager shall be subject to such policy, and it shall be the duty of the Trustee, custodian and investment manager to act in strict accordance with such policy as communicated to it by the OPEB Board. Notwithstanding the above, the OPEB Board may direct the Trustee, who shall further direct the custodian and investment manager, to provide cash assets in an amount determined by the OPEB Board to be sufficient to meet the liquidity requirements for the administration of the Plan.

ARTICLE VI – POWERS OF THE TRUSTEE

6.1 *General.* This Article sets forth the powers and duties of the OPEB Board and the Trustee. The OPEB Board and the Trustee shall discharge their duties under this Agreement solely in the interest of the Retirees covered under the Plan and for the exclusive purpose of providing OPEB Benefits to such persons and defraying reasonable expenses of administering the Trust, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments of the Trust, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Agreement insofar as they are consistent with the provisions of the prudent investor rules set forth in Connecticut General Statutes sections 45a-541 to 45a-541l, inclusive, as this Agreement and the Connecticut General Statutes may be from time-to-time amended. The duties and obligations of the Trustee as such shall be limited to those expressly imposed upon it by this Agreement notwithstanding any reference herein to the Plan or the provisions thereof.

6.2 *Powers of the OPEB Board.* The OPEB Board shall:

- (a) to the extent all or a portion of the Trust Fund is not managed by an investment manager, direct the Trustee with respect to the investment and reinvestment of such portion of the Trust Fund (See Section 5.1);
- (b) develop and implement an investment policy (See Section 5.4);

- (c) appoint custodian(s), investment manager(s) and consultant(s), as necessary (See Section 5.2);
- (d) monitor and review the investment performance of the Trust Fund;
- (e) prepare, or have prepared, not less frequently than quarterly, reports regarding said performance;
- (f) monitor and evaluate the performance of third parties retained to provide services to the Trust Fund, and remove said third parties, as necessary or desirable;
- (g) establish a procedure for coordinating a search for custodians, investment managers and consultants; and
- (h) conduct such searches, as necessary or desirable.

6.3 *Powers of the Trustee.* The Trustee, in addition to all powers and authorities under common law, statutory authority, and other provisions of this Agreement, shall have the following powers and authorities, to be exercised in the Trustee's discretion, provided that such exercise shall be limited by the terms of Article V and Section 6.1 above:

- (a) To retain any property at any time received by the Trustee;
- (b) To purchase, or subscribe for, any securities or other property and to retain the same in trust;
- (c) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction, and any such disposition may be made for cash or upon credit, or partly for cash and partly upon credit. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition;
- (d) Upon direction from the OPEB Board, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights, or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stock, bonds, securities or other property held as part of the Trust Fund;

- (e) To cause any securities or other property held as part of the Trust Fund to be registered in the Town's name, as trustee of the Trust Fund, or in the name of one or more of the Town's nominees, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;
- (f) To keep such portion of the Trust Fund in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Trust created hereby, without liability for interest thereon;
- (g) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;
- (h) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (i) To acquire real estate by purchase, exchange, or as the result of any foreclosure, liquidation, or other salvage of any investment previously made hereunder; to hold such real estate in such manner and upon such terms as the Trustee may deem advisable; and to manage, operate, repair, develop, improve, partition, mortgage, or lease for any term or terms of years any such real estate or any other real estate constituting a part of the Trust Fund, upon such terms and conditions as the Trustee deems proper, using other trust assets for any of such purposes if deemed advisable;
- (j) To invest funds of the Trust Fund in night deposits or savings accounts bearing a reasonable rate of interest;
- (k) To invest in Treasury Bills and other forms of United States government obligations;
- (l) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;
- (m) To do all such acts, take all such proceedings, and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to administer the Trust Fund.

6.4 *Fees and Expenses.* An individual serving as Trustee who already receives full-time pay from the Town shall not receive compensation from this Trust except for reimbursement of expenses properly and actually incurred. The Trustee shall be reimbursed for any reasonable expenses incurred by the Trustee in the administration of

the Trust Fund. Such expenses shall be paid from the Trust Fund. In the event that the Town pays such expenses, the Town may be reimbursed from the Trust Fund. All taxes of any kind and all kinds whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof shall be paid by the Trustee from the Trust Fund.

6.5 *Accounts and Records.* The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements, and other transactions hereunder.

ARTICLE VII – AMENDMENT AND TERMINATION OF AGREEMENT

7.1 *Amendment.* Subject to any applicable provision of the Plan, any or all of the provisions of this Agreement may be amended at any time and from time to time, in whole or in part, by an instrument in writing. No such amendment shall authorize or permit any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to purposes other than for the exclusive benefit of Retirees; no such amendment shall cause or permit any portion of the Trust Fund to revert to or become the property of the Town; and no such amendment which affects the rights or duties of the Trustee may be made without the Trustee's written consent.

7.2 *Termination.* Subject to any applicable provision of the Plan, this Agreement may be terminated at any time by the Town, and upon such termination, the Trust Fund shall be paid out by the Trustee as and when directed by the Town, in accordance with the provisions of Section 1.2 of Article I and Section 3.2 of Article III hereof and the terms of the Plan. Upon termination of the Trust, Trust Funds shall be applied to pay any remaining debts, liabilities and approved claims of the Plan. Any assets remaining in the Trust after meeting its obligations shall be distributed in accordance with applicable law.

ARTICLE VIII – GENERAL

8.1 *Limited Effect of Plan and Trust.* Neither the establishment of the Plan nor the Trust nor any modification thereof, nor the creation of any fund or account, nor the payment of any welfare benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustee, the Town, or any officer or employee thereof, except as may otherwise be provided in the Plan or in the Trust. Under no circumstances shall the term of employment of any employee be modified or in any way affected by the Plan or this Trust.

8.2 *Protective Clause.* Neither the Town nor the Trustee shall be responsible for the validity of any contract of insurance issued in connection with the Plan or Trust or for the failure on the part of the insurer to make payments provided by such contract, or

for the action of any person which may delay payment or render a contract null and void or unenforceable in whole or in part.

8.3 *Construction of Trust.* This Trust shall be construed and enforced according to the laws of the State of Connecticut and the Code. If any provision of this Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of the Trust.

8.4 *Gender and Number.* Wherever any words are used herein in the masculine, feminine or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

8.5 *Headings.* The headings and sub-headings of this Trust have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

IN WITNESS WHEREOF, this Agreement is effective as of the day and year first above written.

TOWN OF WESTON,
CONNECTICUT

Date: _____

By: _____

Its: _____

TOWN TREASURER

Date: _____

Name: _____

Exhibit A

Groups in the Town of Weston's
OPEB Plans

Board of Education

- Weston Administrator's Association
- Weston Teacher's Association
- Non-certified group (AFSCME, Council #4, Local 1303)
- Non-union employees who are eligible to receive OPEB Benefits

Town

- Maintenance and Dispatchers (AFSCME, Council #4, Local 1303-212)
- Police (AFSCME, Council #15, Local 1493)
- Highway Employees (AFSCME, Council #4, Local 1303-41)
- Town Hall employees union (AFSCME, Council #4, Local 1303)
- Non-union employees who are eligible to receive OPEB Benefits

Note: OPEB Benefits vary by bargaining group, and are provided pursuant to each collective bargaining agreement.

Exhibit B

Connecticut General Statutes Sections 45a-541 to 45a-541l, inclusive (as in effective July 1, 2007)

Connecticut Uniform Prudent Investor Act

Sec. 45a-541. Short title: Connecticut Uniform Prudent Investor Act. Sections 45a-541 to 45a-541l, inclusive, may be cited as the "Connecticut Uniform Prudent Investor Act".

Sec. 45a-541a. Prudent investor rule. (a) Except as provided in subsection (b) of this section, a trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule, as set forth in sections 45a-541 to 45a-541l, inclusive.

(b) The prudent investor rule is a default rule that may be expanded, restricted, eliminated or otherwise altered by provisions of the trust. A trustee is not liable to a beneficiary to the extent that the trustee acted in reasonable reliance on provisions of the trust.

Sec. 45a-541b. Standard of care. Portfolio strategy. Risk and return objectives. (a) A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.

(b) A trustee's investment and management decisions respecting individual assets shall be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust.

(c) Among circumstances that a trustee shall consider in investing and managing trust assets are such of the following as are relevant to the trust or its beneficiaries: (1) General economic conditions; (2) the possible effect of inflation or deflation; (3) the expected tax consequences of investment decisions, strategies and distributions; (4) the role that each investment or course of action plays within the overall trust portfolio, which may include financial assets, interests in closely held enterprises, tangible and intangible personal property and real property; (5) the expected total return from income and the appreciation of capital; (6) related trusts and other income and resources of the beneficiaries; (7) needs for liquidity, for regularity of income and for preservation or appreciation of capital; (8) an asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries; (9) the size of the portfolio; and (10) the nature and estimated duration of the trust.

(d) A trustee shall take reasonable steps to verify facts relevant to the investment and management of trust assets.

(e) Subject to the standard of sections 45a-541 to 45a-541l, inclusive, a trustee may invest in any kind of property or type of investment.

(f) A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee's representation that the trustee has special skills or expertise, has a duty to use those special skills or expertise.

Sec. 45a-541c. Diversification. A trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying.

Sec. 45a-541d. Duties at inception of trusteeship. Within a reasonable time after accepting a trusteeship or receiving trust assets, a trustee shall review the trust assets and make and implement decisions concerning the retention and disposition of assets, in order to bring the trust portfolio into compliance with the purposes, terms, distribution requirements and other circumstances of the trust, and with the requirements of sections 45a-541 to 45a-541l, inclusive.

Sec. 45a-541e. Loyalty. A trustee shall invest and manage the trust assets solely in the interest of the beneficiaries.

Sec. 45a-541f. Impartiality. If a trust has two or more beneficiaries, the trustee shall act impartially in investing and managing the trust assets, taking into account any differing interests of the beneficiaries.

Sec. 45a-541g. Investment costs. In investing and managing trust assets, a trustee may only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the trust and the skills of the trustee.

Sec. 45a-541h. Reviewing compliance. The prudent investor rule expresses a standard of conduct, not outcome. Compliance with the prudent investor rule is determined in light of the facts and circumstances existing at the time of a trustee's decision or action.

Sec. 45a-541i. Delegation of investment and management functions. (a) A trustee may delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances. The trustee shall exercise reasonable care, skill and caution in: (1) Selecting an agent; (2) establishing the scope and terms of the delegation, consistent with the purposes and terms of the trust; and (3) periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

(b) In performing a delegated function, an agent owes a duty to the trustee and to the trust to exercise reasonable care to comply with the scope and terms of the delegation and to exercise the delegated function with reasonable care, skill and caution. An attempted exoneration of the agent from liability for failure to meet such a duty is contrary to public policy and void.

(c) A trustee who complies with the requirements of subsection (a) of this section is not liable to the beneficiaries or to the trust for the decisions or actions of the agent to whom the function was delegated.

(d) By accepting the delegation of a trust function from the trustee of a trust that is subject to the law of this state, an agent submits to the jurisdiction of the courts of this state and can be held liable by the courts of this state for any breach of duty arising out of the delegation agreement or the terms of sections 45a-541 to 45a-541l, inclusive.

Sec. 45a-541j. Language invoking standards of act. The following terms or comparable language in a trust instrument, unless otherwise limited or modified by the instrument, authorizes any investment or strategy permitted under sections 45a-541 to 45a-541l, inclusive: "Investments permissible by law for investment of trust funds", "legal investments", "authorized investments", "using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence

exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital", "prudent man rule", "prudent trustee rule", "prudent person rule", and "prudent investor rule".

Sec. 45a-541k. Uniformity of application and construction. Sections 45a-541 to 45a-541l, inclusive, shall be applied and construed to effectuate their general purpose to make uniform the law with respect to the subject of said sections among the states enacting them.

Sec. 45a-541l. Applicability. Section 45a-532 and sections 45a-541 to 45a-541l, inclusive, apply to trusts existing on and created after October 1, 1997. As applied to trusts existing on October 1, 1997, section 45a-532 and sections 45a-541 to 45a-541l, inclusive, govern only decisions or actions occurring after that date.

TOWN OF WESTON
OTHER POST-EMPLOYMENT BENEFITS TRUST DRAFT ORDINANCE

§1. Authority; Establishment of Other Post-Employment Benefits Trust. Pursuant to the authority granted to the Board of Selectmen of the Town of Weston, CT in §3.2 of the Town Charter and § 7-450(b) of the Connecticut General Statutes, there shall be created and established for such Town the Other Post-Employment Benefits Trust (the "OPEB Trust") to fund certain retiree benefits pursuant to the terms of previously established plans for the benefit of certain employees and retirees of the Town and Board of Education, their spouses and dependents (the "OPEB System").

§2. Establishment of Other Post-Employment Benefits Board. Immediately upon the enactment of this ordinance the Board of Finance shall constitute the Other Post-Employment Benefits Board for the OPEB Trust, hereinafter referred to as the "OPEB Board." The members of said OPEB Board shall receive no compensation for serving and shall serve terms coextensive with their respective terms as members of the Board of Finance.

§3. Powers and Duties of the OPEB Board and Town Treasurer. The OPEB Board shall perform the duties set forth in the OPEB Trust Agreement, as amended from time to time, relating to the management of the assets held in the OPEB Trust. The Town Treasurer shall serve as the trustee of the OPEB Trust, with the responsibility for the care and custody of all funds held in the OPEB Trust and the power, upon receipt of direction from the OPEB Board, to invest such funds in securities legal for investment for such trust funds.

Discussion/decision regarding supplemental appropriation request in the amount of \$54,000 to apply a portion of a Police Department heart and hypertension claim.- Tom Landry

Mr. Landry requested a supplemental appropriation in the amount of \$54,000.00 for the Police Services budget which would pay for the non-optional payment of a Heart/Hypertension claim. The amount was to be paid out of salaries and wages but should be paid separately as an insurance item. The supplemental request requires BOF approval and BOS approval.

Motion: Mr. Atkinson made a motion to approve a \$54,000.00 supplemental appropriation applied towards a Heart/Hypertension claim for the Police Department. Mr. Carter seconded, motion carries unanimously.

Discussion/decision regarding proposed appropriations from General Fund Balance surplus.

Memorandum, Tom Landry

TO: Board of Finance
FROM: Tom Landry
SUBJECT: Fund Balance Disposition
DATE: February 12, 2008

As the Board considers how it will recommend that Special Town Meeting spend the estimated General Fund Balance surplus, I provide the following information.

1. My memo to you dated 12/21/07, which lists items that you have previously identified in this discussion.
2. An attachment identifying Rick Darling's latest **General Fund Balance estimate for this coming year end (6-30-08) as \$10,419,596.**
3. **Twelve percent of the FY08-09 estimated budget of \$63,472,726, is \$7,616,727.**
4. When this amount is retained from the estimated General Fund Balance, the **present surplus available for appropriation is \$2,802,869.**

5. The Board of Finance and Board of Selectmen have approved **supplemental appropriations to date of \$495,501(see attached list).**

6. **The Board is restricted** by Town Charter, **to total supplemental appropriations of no more than** 2 percent of the current tax levy (\$58,644,629). That amount totals **\$1,172,893.**

7. When appropriations to date (listed in item 5 above) are subtracted from the maximum appropriations permitted, **the Board may approve a maximum of \$677,391 in additional supplemental appropriations for the remainder of the year.** If it approves the Heart/Hypertension request of **\$52,852** at its February 14 meeting, that is reduced to **\$624,539.**

8. Should the Board retain the maximum amount for its own discretionary purposes, **the amount of General Fund Balance surplus presented at Special Town Meeting for appropriation would be \$2,125,478.**

End Memorandum

Mr. Landry gave an overview of some items which the Board may or may not want to consider for possible appropriation from the General Fund surplus. The **Kaestle-Boos** report has been completed and lists repairs for both the schools and town buildings of approximately 44M. The Capital Budget has not been finalized however a meeting is scheduled the morning of February 15th. Committees need to be working on prioritizing the projects mentioned in the report, keeping in mind the ten year plan which includes two 10M bond issues. Mr. Landry suggested some of the surplus be used towards a portion of repair costs. Mr. Landry added that funding other than bonding would be required to address the high repairs estimate by Kaestle-Boos. In addition, the OPEB liability is currently about \$12M.

Representatives of the Weston Volunteer Fire department, President Curtis Gunn and Capt. Larry Roberts would like the Board to consider their plans for the construction of a new Fire House at the Lyons Plain location. The building is not up to OSHA code and the department would like to have some commitment on the part of the Town for funding possibly over a 2-3 year period.

The Fire Department has raised approximately \$900,000.00 and would need an additional 900K to complete the project. The Fire House at the Lyons Plain location is not Town owned property.

There was discussion regarding the necessity for schematic drawings, cost estimates and a 'packaged' proposal prior to a supplemental request. Pres. Gunn expressed concern regarding the spending for schematics without a commitment from the

Town however did agree to gather more detailed information. The Fire Department will follow-up on this item at a future meeting.

There was further discussion among the Board regarding the General Fund balance surplus and possible use of those funds. General items brought up before the Board included the OPEB liability, the Town Hall roof and the High School auditorium.

Motion: Mr. Muller made a motion to appropriate a total of **\$2,125,478.** by Special Town Meeting from the General Fund surplus.

Koller	Carter	Kopas	O'Brien	Atkinson	Muller
		Yes		Yes	Yes
No	No		No		

Vote: 3= Yes 3= No Motion fails.

Motion: Mr. Carter made a motion to appropriate \$2,425,478. by Special Town Meeting from the General Fund surplus.

Koller	Carter	Kopas	O'Brien	Atkinson	Muller
		No		No	No
Yes	Yes		Yes		

Vote: 3= Yes 3= No Motion fails.

Approval of Meeting Minutes of January 10.

Motion: Mr. Muller made a motion to approve the minutes of January 10th, 2008, Mr. Atkinson seconded, motion passes.

Any other items of business to be brought up for Board consideration

There was no further business to come before the Board.

Motion: Ms. Kopas made a motion to adjourn the meeting, Mr. Carter seconded.
Meeting adjourned at 10:37 PM.

Respectfully submitted
Donna M. Anastasia, Secretary