

**BOARD OF FINANCE MEETING
January 8, 2009 7:30 PM
TOWN HALL
MEETING ROOM**

The Board of Finance joined the Board of Selectmen and the town's legal counsel for an executive session regarding the C&H Electric lawsuit.

The executive session concluded at approximately 8:33 pm. The Board of Finance reconvened in the Commission Room.

Board members present: Chairman Mike O'Brien, Board members Bob Atkinson, Patty Kopas, David Muller, Melissa Koller, Michael Carter and Vice Chair Jerry Sargent. Also present: Finance Director Rick Darling and secretary Donna M. Anastasia.

Meeting was called to order at 8:40 PM

**Discussion/Decision regarding proposed FY07-08 year end line item transfers.-
Rick Darling.**

Mr. Darling gave a brief overview of the remaining year-end transfers. An estimated 75K is to be transferred to the General Fund. The Board of Finance may authorize the transfer with Board of Selectmen approval per Town Charter.

Transfer details can be found in December 11, 2008 minutes.

Motion: Mr. Carter made a motion to close out year-end line item transfers; Ms. Koller seconded. Motion carries unanimously.

Discussion/decision regarding proposed investment policy statement for the OPEB trust fund.

Rick Darling went over the Investment Policy Statement submitted by FIA. Mr. Darling and the board discussed the proposed revisions and deletions made to the IPS.

(Corrected Investment Policy Statement attached)

Mr. Muller discussed at length the 1% (100 basis pts) annual volatility (standard deviation) of returns as it will relate to the town's OPEB trust. Mr. Muller emphasized that it is incumbent upon the board to review the portfolio preferably before rebalancing and to allow adequate time with the consultant so there is no violation of the cap. The investment consultant will suggest rebalancing to the board and final rebalancing will be at the direction of the board. Chairman O'Brien suggested a rebalancing to take place not less than a year from inception.

Bd of Finance
January 8, 2009

Mr. Darling noted that the board may terminate a manager/fund at any time without cause. Additionally Mr. Muller noted that the board also reserves the right to change the Investment Policy.

Motion: Mr. Carter made a motion to approve the proposed Investment Policy Statement for the OPEB Trust, as amended. Ms. Kopas seconded. Motion carries unanimously.

Discussion/decision regarding proposed allocation of investment portfolio for the OPEB Trust fund.

There was discussion regarding the proposed asset allocation recommended by FIA in the IPS. The board has the responsibility to periodically review investments in the trust and implement changes if necessary. Mr. O'Brien suggested a conservative stance just starting out and noted that allocation adjustments can be made at any time.

The Milliman baseline rate of 8.00% is discussed which assumes that the trust's investments are divided using a standard allocation (60% stocks/40% bonds) similar to a pension trust.

Motion: Mr. Muller made a motion to approve the proposed allocation of investments for the OPEB Trust Fund as submitted by FIA; Ms. Kopas seconded. Motion passes unanimously.

Mr. Muller made a motion to approve the minutes of December 11, 2008 as amended, Mr. O'Brien seconded. Motion carries.

With no further business to come before the board Mr. Muller made a motion to adjourn. Ms. Kopas seconded; meeting adjourned at 9:32 pm.

Respectfully submitted
Donna M. Anastasia, Secretary
January 8, 2009