

November 16, 2009

The following minutes of the Board of Finance hearing are submitted subject to approval at the next meeting.

Chairman, Michael Jackson called the meeting to order at 5:00 p.m.

Present: Members: Jack Boyer, Gary Fitzherbert, Michael Jackson, Craig Schoon, Rex Swain

Alternates: Keith Templeton, A. J. Dubois

Selectmen: Mark Lyon, Nick Solley

Treasurer: Linda McGarr

Tax Collector: Tanya Wescott

Guests: WCHT: Walter Whitney, Richard Sears

Peter Tagley, Tony Bedini, Chris Charles

The Board welcomed new members Gary Fitzherbert and Keith Templeton.

Pension:

Rex Swain updated the Board on the Town Pension Fund investments and custodial costs. He and Craig Schoon have met with The First National Bank of Litchfield, custodian for the Fund, and reviewed the original agreement instituted many years ago with regard to responsibilities and costs. The portfolio is currently managed by the Bank but at the direction of the Pension Committee. It is invested very conservatively, with the Bank having fiduciary responsibility.

Our choices are to have the Bank actively invest and manage the funds, or to have the Board continue to manage the investments, in which case we should amend our agreement with the Bank to clarify that their role is strictly custodial. Active management would mean higher fees. Weighing the responsibilities involved in choosing the investments against their responsibility to the taxpayers and the pension fund was discussed at length. There was some feeling that the Bank should be hired to manage the funds, especially if stocks are involved. But most members felt that we should stick with a very conservative portfolio of approximately 85% fixed-income investments such as corporate bonds. In that case, it was generally agreed that the Board could continue to manage the investments itself.

Michael suggested a legal opinion be obtained regarding their liabilities as officers and directors and to review what other entities charge for similar arrangements. It is hoped that the Board can arrive at a consensus at the next meeting in anticipation of a vote being taken.

Washington Housing Fund:

Jack Boyer, a member of the WCHT, recused himself from the following discussion.) First Selectman Mark Lyon updated the Board on recent considerations for affordable housing. He reported the Selectmen had initially approved a request from the WCHT for financing for predevelopment costs associated with the acquisition, development and implementation of Marble Dale Meadows for \$110,000 from the Town's Affordable Housing Fund. This request had unanimously been approved by the Town's Housing Commission with the condition that funds would be conveyed upon written receipt of a full funding commitment from the State DECD sufficient to complete the project. The condition was amended by the Selectmen at their November 12th meeting with the addition that \$25,000 would be conveyed to the WCHT to complete immediate work required to complete the application to the State DECD. The balance

of \$85,000 would be conveyed upon receiving written receipt of a full funding commitment from the State DECD sufficient to completing the project. If approved by the Board of Finance at this meeting, the Selectmen planned to present the matter for a vote at a future town meeting.

Mark explained the Housing Commission had been hesitant to use Town Housing funds while the application remained in competition with other applications before the State. They turned to the Selectmen, who initially considered requesting an ex-budget appropriation, which would not require a commitment of either Housing funds or taxpayer funds. However, the Selectmen agreed it was important to follow the process used by the Town for financial matters and present this proposal for a vote at a town meeting. The WCHT has reported they have negotiated with contractors to do the initial work required for the application for a percentage of the cost until the Trust receives their grant funds.

Michael suggested the Board consider the matter and is satisfied this is a wise use of taxpayers funds. It was also felt the Town's support of this project may be a factor in a DECD decision to approve this project. Michael Jackson made a motion to approve the Selectmen's request to proceed to a town meeting to consider the use of \$110,000 from the Housing Fund, with the condition that the initial \$25,000 of this would be used by the Washington Community Housing Trust to complete preliminary requirements for application for DECD funding. Craig Schoon seconded the motion. The motion was unanimously passed.

Education:

Tony Bedini reported Region 12 has hired a new facilities manager, Mr. Donald O'Leary. Having spent some time with Mr. O'Leary, Tony is quite confident that he knows his business and looks forward to working with him. They reviewed the Facilities Committee list of projects, as well as the school buildings in the other towns. Tony will update the Selectmen on recent undertakings of the Facilities Committee.

Treasurer's Report.:

Linda McGarr reported that CEDARS, an investment mechanism, is available through the FNBL. These are investments in CD's split across 200-300 geographically-diverse banks. There are no fees involved. She will pursue more information on these investments. It was noted funds remaining in the Boat Launch Account have been returned to the Nonrecurring Capital fund.

Tax Collector:

Tanya Wescott reported she has been sending out courtesy letters to all who have more than July payments in arrears. She asked the Board to approve funding for attorney fees approximating \$2,000 to pursue a foreclosure, whose owner has ignored correspondence from both the marshal and herself. The Town would be reimbursed for costs following the foreclosure process. Jack Boyer made a motion to approve Tax Collector Wescott's request. Rex Swain seconded the motion. The motion was passed unanimously. Tony Bedini warned that the Town be aware that some properties could become liabilities to the Town if taken and this should be reviewed.

Appointment of Auditor:

Jack Boyer made a motion to appoint Charles Heaven & Co., Inc. of Waterbury as the Town's auditor for the 2008-2009 fiscal year. Michael Jackson seconded the motion. Motion passed unanimously.

Financial reports:

Mark Lyon reported the Town is on schedule with expenses for the year.

Nonrecurring Capital:

Jack Boyer noted funds remain in the Capital Fund for DEP-required environmental testing of the Titus Park area several years ago. He suggested since so many entities within the Town are interested in uses for this area, the DEP should be contracted for a release. If this can be accomplished, the land could be a valuable asset. The Selectmen will contract Lenard Engineering for an update on the status of this property. The salt content had been decreasing through natural attenuation. All agreed this was a good idea.

The meeting was adjourned at 6:05 p.m.

Respectfully submitted,
Kathy Gollow, Finance Secretary