

**BOARD OF FINANCE  
REGULAR MEETING – June 17, 2014  
MEETING ROOM B  
WILTON TOWN HALL**

**PRESENT:** Warren Serenbetz, Al Alper, Jeff Rutishauser, Richard Creeth, Lynne Vanderslice  
(on the phone)

**ALSO PRESENT:** Sandy Dennies, Ken Bernhard, John Kalamarides, Melissa Lowthert

**Call to Order:**

Warren Serenbetz called the meeting to order at 7:00 p.m.

**Executive Session:**

Mr. Serenbetz moved to go into Executive Session to discuss pending notice of claim and invited Ken Bernhard to attend. The Motion was seconded and carried. Ken Bernhard left Executive Session at 7:20pm.

The Board came out of Executive Session at 7:30 pm no actions were taken.

**Investments – Janney Montgomery Scott**

Carol Frzop and Guy LeBas of Janney Montgomery Scott introduced themselves. They help manage General Funds for towns and cities including the Town of Wilton. Mr. LeBas passed out a folder with documents including a portfolio analysis. He explained that the CT State Statutes only permit five areas for investments; US Treasuries, CDs, Municipal Bonds, Agency Bonds and Agency Mortgage Backed Securities – bonds issued by Fannie Mae, Freddie Mac, and Ginny Mae. The largest portion of the portfolio is in Mortgage Backed Securities. In working with the Town, Janney has focused on finding their comfort level in terms of interest rate risk tolerance and having cash available when needed. In 2011 when they started building the Portfolio the most attractive asset class securities were Mortgage Backed Securities. He explained “average life” to the Board saying, “average life is the point at which you expect to receive ½ of the principal back from a given Mortgage Back Security”. He then walked everyone through the packet. A discussion ensued around the duration of Mortgage Back Securities and Mr. LeBas said that with these investments there was some “drift” – i.e. there wasn’t always a finite date of maturity. The need for having short-term investment instruments that would allow capturing a higher yield if interest rates went up was discussed. After a short discussion Ms. Frzop and Mr. LeBas departed. Ms. Vanderslice suggested taking a look at the materials and discussing them at the next meeting.

Mr. Rustishauser suggested asking Janney to take the four longest bonds and price them out to see what the actual price would be now. Ms. Dennies will do this and get back to the Board at the next meeting.

### **Approval of John Kalamarides to the Board of Finance**

A motion was made seconded and carried unanimously to move item 6. – The approval of John Kalamarides to the Board of Finance– up on the Agenda.

Mr. Serenbetz said that the Democratic Town Committee had nominated John Kalamarides to the Board of Finance replacing Jim Meinhold. His resume had been passed around to the other members of the Board. Mr. Creeth moved to approve John Kalamarides to the Board of Finance, the motion was seconded by Mr. Rutishauser and carried unanimously.

### **Status Report**

Ms. Dennies said that we've met all our overall revenue requirements as of May 30<sup>th</sup> and are ending the year in the black. It is the completion of 92.6% of the year and the receipts are 101%. Supplemental tax and back tax collections were more than budgeted as were interest and lien fees. (Please refer to her detailed report attached.) A discussion ensued around the self-insurance fund and how much coverage is necessary. Ms. Dennies said that the recommendation from the consultants was that they could reduce the reserve by \$1 million dollars. The decision made by the Board of Ed and the Town was to reduce it by \$500,000, (\$100,000 on the Town side and \$400,000 on the Board of Ed side).

### **Committee Reports**

Mr. Creeth reported that he and Ms. Vanderslice have been trying to get the financial statements to compare actual with the budget through the year by month. They would like to see a layout of the budget by month. He suggested taking last year's actual and spreading it out by month. The New World system won't allow balances by period. Mr. Creeth said that the question for the Board is how important is this? Mr. Serenbetz suggested that Mr. Creeth look at the next step and see how complex this is and then determine whether it's worth doing or not.

Ms. Vanderslice is working on the ongoing investigation of the Board of Ed and trying to put together a timetable of events with all the emails, etc. The Board of Ed did respond to her request regarding a Standard Operating Procedure document. They don't have this document. Internally they use a program that most school districts use, once someone is in the process. They don't have documentation and this should be in their [the BOF's] report. She has made additional requests of the Board of Ed and should have them for the next meeting.

Mr. Kalamarides said that he would like to volunteer to take the position on the Miller Driscoll Building Committee vacated by Mr. Meinhold. A Motion was made, seconded and carried to recommend him to the Committee. He also volunteered to take Mr. Meinhold's place on the Pension Trustee Board as representative from the Board of Finance. The Board unanimously approved this appointment. Mr. Serenbetz said that he would speak to Mr. Brennan since he chairs the Pension Trustee Board.

**Public Participation**

Melissa Lowthert said that she and her family would like to know how much time it will take with the investigation. Mr. Serenbetz said that what they are going to do is continue to ask the Board of Ed the questions the Lowtherts have raised. Once the investigation is complete they intend to write a Management Letter reviewing the findings, report what they see as weaknesses and make recommendations. Beyond that they can't make any changes because that is up to the Board of Ed. As far as a deadline on the investigation, they can't give her a date at this time.

As there was no further public participation, the meeting adjourned at 9:01 PM.

Respectfully submitted,

Mariana Corrado  
Recording Secretary  
(from a video recording)