

Board of Finance
Regular Meeting – February 10, 2009
MINUTES

Attending:

Board of Finance Members: Al Alper (7:19 arrival), Robert Kelso, Jim Meinhold, Andy Pforzheimer (7:03 arrival), Warren Serenbetz; Lynne Vanderslice

Others: Joseph Dolan, Dr. Gary Richards, Kenneth Post, Lauren Mylo (Villager), approximately 30 members of the public

Call to Order:

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

Approval of Minutes:

- Regular Meeting of January 20, 2009

Jim Meinhold motioned that the Minutes be approved as written; Lynne Vanderslice seconded, and the motion passed 4-0. (Alper and Pforzheimer not present for voting)

- Special Meeting of January 28, 2009

Robert Kelso motioned that the Minutes be approved as written; Mr. Meinhold seconded, and the motion passed 4-0. (Alper and Pforzheimer not present for voting)

Approval of June 30, 2008 Audit Report:

Mr. Serenbetz asked for a motion to accept the June 30, 2008 Audit Report of McGladrey & Pullen received at the January 28, 2009 Special Meeting and filed with the State of Connecticut on February 2, 2009. Mr. Kelso so motioned; Mr. Meinhold seconded and the motion passed 4-0. (Alper and Pforzheimer not present for voting)

Report on February 3, 2009 Bond and Note Sale Results:

Joe Dolan stated that he was very pleased with the results of the bond and note sale which had taken place February 3, and publicly thanked Moody's for issuing the Town's AAA rating in time for the sale.

With respect to the \$6 million General Obligation Bond Anticipation Notes maturing February, 2010, he reported that two bids had been received and that Eastern Bank was the winning bidder

for a coupon of 1 percent and a premium of \$22,976, bringing the effective interest rate down to .616 percent. He said that he has never seen a note rate that low in his experience, and that the low rate, plus application of the premium to next year's interest, greatly reduces the debt service.

Mr. Dolan further reported that there had been 10 bids on the \$6 million General Obligation Bonds and that Roosevelt & Cross was the winning bidder. He advised that true interest cost on the bonds is 3.15%. There was a premium of \$59,000. The net interest cost over the term of the issue will be \$1.636 million. He noted that he was extremely surprised that there had been that many bids on the bonds.

Mr. Dolan also stated that the low interest rate on the bonds and notes resulted in shaving approximately \$185,000 off the debt service used in the hypothetical mill rate models.

Mr. Kelso asked if there was any sense of what issues were of interest to Moody's in issuing the Town's AAA rating. Mr. Serenbetz stated that it appeared to him that Moody's seemed to focus on what was being done from a management standpoint to manage the Town's tax situation going forward, especially total debt, proposed budgets, and fund balance, and that he was somewhat surprised at the emphasis placed on fund balance. Mr. Dolan added that it was important to note that Moody's had stated that the Town's current and projected debt levels were very manageable.

Ms. Vanderslice asked if it would be worthwhile to consider refinancing any of the older debt in light of the rates being so attractive. Mr. Dolan stated that he has Phoenix Advisors periodically evaluate doing that, but that because the older, higher interest debt does not have that many years remaining before final maturity, the savings are greatly reduced, if not eliminated after factoring in issuance costs.

Mr. Serenbetz thanked Mr. Dolan for his help and hard work in answering questions and gathering financial data requested by Moody's, as well as with the bond and note sale.

Public Comment:

No public comment.

Adjournment:

Mr. Serenbetz asked for a motion to adjourn to a Special Meeting of the Board of Finance scheduled at 7:30 p.m. Andy Pforzheimer so motioned; Mr. Meinhold seconded, and the motion passed unanimously at 7:21 p.m.

Respectfully submitted,

Anna Corra
Recording Secretary