

Board of Selectmen  
**SPECIAL MEETING**  
April 21, 2014 – 1:00 p.m.

Office of Edward Jones  
10 Main Street, Hebron CT

**MINUTES**

1. The meeting was called to order by First Selectman Joyce Okonuk. Selectman John Bendoraitis was present. Selectman Linda Finelli was absent due to a family commitment. Treasurer Jim Forrest was on vacation.
2. The Selectmen reviewed Lebanon's Investment Policy with Bill Alleman of Edward Jones (EJ) with considerable discussion on the policy statement of maximizing income and protecting principal. In reviewing EJ's risk analysis options, Selectmen felt the risk tolerance level for these funds should be "moderately conservative" targeting a mix of 65% equities and 35% income-based instruments. Alleman reviewed the existing portfolio as transferred to EJ from Infinex and determined that rebalancing needs to occur in order to have a portfolio within policy guidelines and objectives.

Selectmen discussed changes in Investment Policy to better describe the investment objectives and such changes will be brought to next Selectmen's Meeting for action.

Interpretation of the authority of the Treasurer within the Ct. General Statutes was still unclear as to the specific authority with investments, the authority to appoint a Deputy Treasurer, etc. A call was placed to Attorney Judith Blank at Day-Pitney, Bond Counsel for the Town, asking Judith for her assistance in clarifying several questions with regard to the Treasurer statute. She will do some research and get back to the Selectman.

Procedures for authorizing trades (buy/sell) were discussed. It was agreed that trade recommendations must be made based on specific procedures which will be drafted for next meeting. Attendees discussed recommended steps to include in procedures.

Process of how the ACH transfers of monthly income will be identified, received and posted within the Finance Office was also discussed. The Finance Director will be asked to contact the receiving financial institution to determine the transfer process and procedures required for EJ to ACH the funds to the Town's account within the bank. Specific questions will be prepared and sent to Finance Director for her investigation.

3. As a beginning step in re-balancing the Town's endowment fund portfolios in support of the recommendations from EJ, the following actions were taken:
  - a. **Motion by Bendoraitis/Okonuk to direct the Town Treasurer to change the dividend reinvestment option to cash in the Franklin U.S. Government Securities and the Legg Mason Clearbridge Equity Fund which is part of each of the three portfolios. Vote: Yes, unanimous**
  - b. **Motion by Okonuk/Bendoraitis to authorize the sale of the following stocks as recommended by Edward Jones: all Shares of Dow Chemical (DOW) in the Jonathan Trumbull Jr. House Museum Fund, approximate value \$22,000; all Shares of Integrys Energy (TEG) in the Community Center Fund, approximate value \$6,600; and transfer all proceeds to Cash. Vote: Yes, unanimous**
  - c. **Motion by Bendoraitis/Okonuk to authorize the Town Treasurer, in consultation with Edward Jones, to use the proceeds (from a. and b. above) to purchase individual Bonds, as they become available, with the characteristics as follows: 6-15 years to maturity, S&P A- rating or better, with effective yield to worst case of 3.5% or better. Vote: Yes, unanimous**
4. No action possible as invoices still need clarification.
5. **Motion by Okonuk/Bendoraitis to adjourn the meeting at 4:28 pm. Vote: Yes, unanimous**

Respectfully Submitted,

A handwritten signature in black ink, reading "Joyce R. Okonuk". The signature is written in a cursive, flowing style.

Joyce R. Okonuk, First Selectman