

Financial Oversight Committee of the
Region 9 Board of Education
October 20, 2009

Filed subject to approval

Attendance: Poltrack, Gold, Karvelis, Cable, Gombos, Lewis

Also in attendance: Fossbender, Sullivan, McMorran

Mr. Poltrack called the meeting to order at 6:35 pm.

Mr. Poltrack made some corrections to the September minutes. The corrected minutes are attached. Mr. Karvelis motioned to accept the minutes. Mr. Lewis seconded. Motion passed unanimously.

Public Comment – There was no public comment.

Investment Policy – Mr. Karvelis motioned to convey the draft of the investment policy to the Region 9 Board for review. Dr. Cable seconded the motion. Motion passed unanimously.

Review of Draft Financial Statements with Blum, Shapiro & Co., P.C. – Mr. Kask, partner, reviewed the draft financial statements with the FOC. Region 9 received an unqualified, clean opinion on the financial statements. Mr. Kask discussed some of the numbers in the draft. Specifically, he addressed Exhibits 3 and 5. His primary concern was the shortfall of \$584,320 in the pension liability that was presented on page 19. He said that there is a potential for asking the Region to disclose other post employment benefit liabilities in the future.

Review of Short-Term and Long-Term Debt with Matt Spoerndle, Phoenix Advisors – Mr. Spoerndle, financial advisor, congratulated the Region with its recent sale of \$1,670,000 short-term notes at an interest rate of 0.74%. He discussed the changes in how Moody's and Fitch review and rate municipal bonds. Redding and Region 9 will be getting their ratings updated. Easton is updated; it is AAA. Mr. Spoerndle presented the options for the repayment of notes. The region can continue to rollover the notes for eight years or issue long-term debt for ten, fifteen, or twenty years. He suggested that the ten year option might be the best for financial prudence. Refunding the 2002 bond issue which has a coupon rate of 5% was discussed. The NPV savings from refunding would be approximately \$123,000. Mr. Karvelis motioned to recommend to the Region 9 Board to refund the current long-term debt if the savings would be no less than 2 ¼% of the outstanding bond issue. Dr. Gold seconded the motion. Motion passed unanimously.

Approval of Invoices – There were no invoices to approve.

Year-To-Date Results – Mr. Lewis asked about the increase in the unemployment compensation account. Mrs. Sullivan said that this increase related to employees who left and haven't yet found jobs. The absolute number of the increase was not large.

Public Comment – There was no public comment.

Mr. Lewis moved to adjourn the meeting at 7:40 pm. Mr. Karvelis seconded. Motion passed unanimously.

Respectfully submitted,

Roberta Cable, Secretary