

**MINUTES**  
**SELECT BOARD MEETING**  
**TOWN OF COVENTRY**  
**MONDAY NOVEMBER 18<sup>TH</sup>, 2019 AT 4:30 P.M.**

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**Board Members Present:**

Mike Marcotte / Chair; Scott Briere; David Gallup

**Town Officials Present:**

Amanda Carlson / Town Administrator

David Barlow / Treasurer

Mike Lucas / Planning Commission

Don Hunt / Justice of the Peace

**Guests:**

John Henry Hubert / Catamount Asset Management (*by phone*)

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- 1. Chair Mike Marcotte called the meeting to order at 4:30 p.m.**
  
- 2. Approve the minutes of the October 28<sup>th</sup> and November 4<sup>th</sup>, 2019 meetings**
  - Scott Briere made the motion to approve the minutes of the October 28<sup>th</sup>, 2019 hearing; and approve the minutes of the November 4<sup>th</sup>, 2019 as written.
  - Seconded by David Gallup and unanimously approved and signed by the Board.
  
- 3. Allow for Public Comment**
  - No public comment noted.
  
- 4. Investment Advisor John Henry Hubert of Catamount Asset Management for Update on Town Investments.**
  - Investment Advisor John Henry Hubert from Catamount Asset Management addressed the Board by conference call.
  - Mr. Hubert reviewed the written summary provided to the Board.
  - Copy of Investment summary and review attached.
  - No action taken by the Board.

**5. Resident Don Hunt – For Discussion on the Tax Sale Process and Redemption Timelines**

- Don Hunt stated that he was unhappy with the time it took the Town to refund the monies he paid bidding on a property at the 2018 tax sale. He did not feel 38 days after the property was redeemed by the owner was a reasonable time frame to process the payment.
- Treasurer David Barlow stated his agreement that the payment should have been processed closer to a thirty-day time frame. He explained that the Town Officials involved were new to the process, part time and the task fell during property tax collection time which is much busier in the office.
- David Barlow stated that the initial ten days is to ensure the check issued by the property owner is cleared by the bank. Should it come back insufficient then the property would have transferred to the bidder and no reimbursement would be issued.
- Mike Marcotte stated that it was a learning process for the Officials and agreed the time frame was longer than should be expected. Mike stated that to ensure full transparency, a policy should be created for the next tax sale so all bidders have clear expectations for timelines involved.

**6. Treasurers Report of Financials for the Preceding Month**

- Treasurer David Barlow reviewed the Town financials for October 2019 and provided the Board with a detailed report of activity.
- No action taken by the Board.
- Delinquent Tax Collector Kate Fletcher submitted the following written statement to the Board:

*DELINQUENT TAX COMPARISON 2018 & 2019*

*These amounts reflect the totals submitted by the Coventry Town Treasurer at the end of the business day, once the tax year closed, after 5 pm. These amounts are principal ONLY, and do not include 8% penalty and 1% interest (calculated and added the next day in NEMRC). These amounts are solely for the tax year listed and do not include any prior year balances.*

|   |                      |
|---|----------------------|
| <b>2018</b> Delinquent Tax as of November 1, 2018 | \$118,867.15         |
| <b>2019</b> Delinquent Tax as of November 7, 2019 | \$71,102.30          |
| <b>Difference</b>                                 | <b>\$ 47, 764.85</b> |

*Possible factors contributing to this substantial difference include:*

- *Later date of November 7<sup>th</sup> for tax due date*
- *Realization that taxes must be paid by the designated date & time*
- *Ability for tax payers to use online payment system*
- *Enforcement of delinquent tax penalties & interest & subsequent tax sales*

## **7. Other Business**

- The Board unanimously agreed to the cost of bookcases for the upstairs boardroom to house the remaining books donated by Reilly E Wright for the former library.
- The Board unanimously agreed to pursue the 2021 State of Vermont Better Road Grant to cover the costs of completing an update of the road inventory as required every 5 years in the Municipal Roads General Permit.
- The Board unanimously agreed to offer for the Town to cover the expense of a meal to be served at the memorial service for resident, respected community member and former Town Official; Dr Alan Feltmarch.
- The service is expected to be on Sunday November 24<sup>th</sup>, 2019 at 3:00 p.m. at the United Church in Newport City.
- The Board asked the Town Administrator to research comparable sized municipal recreation programs and budgets; and work on creating a draft employment posting.
- The Board agreed that this could be a valuable and important step for the Town as recommended in the Economic Development Study.
- A new recreation program could be funded from the voter approved Economic Development Reserve Fund set up to support the projects outlined in the plan.

8. Sign Orders

**ACCOUNTS PAYABLE ~ GENERAL FUND**

Prior Warrant ending check #: 18782

| CHECK #   | WARRANT | ORDERS                            | CHECK DATE | AMOUNT             |
|---|---------|-----------------------------------|------------|--------------------|
| ACH   | P20-20  | PAYROLL - PE 11/11                | 11/11/2019 | \$4,143.95         |
| ACH   | F11-11  | ACCOUNTS PAYABLE - IRS PE 11/11   | 11/11/2019 | \$1,337.38         |
| ACH   | S11-11  | ACCOUNTS PAYABLE - VT PE 11/11    | 11/11/2019 | \$182.25           |
| 18783   | P20-20  | PAYROLL - PE 11/11 - CHECK        | 11/11/2019 | \$71.34            |
| ACH   | P20-21  | PAYROLL - PE 11/18                | 11/18/2019 | \$3,936.72         |
| ACH   | F11-18  | ACCOUNTS PAYABLE - IRS PE 11/18   | 11/18/2019 | \$1,265.31         |
| ACH   | S11-18  | ACCOUNTS PAYABLE - VT PE 11/18    | 11/18/2019 | \$174.24           |
| 18813   | P20-21  | PAYROLL - PE 11/18 - CHECK        | 11/18/2019 | \$80.39            |
| 18784-18811   | 20-17   | ACCOUNTS PAYABLE - GEN            | 11/18/2019 | \$19,471.97        |
| 18812   | 20-18   | ACCOUNTS PAYABLE - SCHOOL TAX PMT | 11/18/2019 | \$1,635,300.97     |
| ACH   | CC-06   | ACCOUNTS PAYABLE - CC             | 11/18/2019 | \$113.64           |
| <b>TOTAL ORDERS</b>                                 |         |                                   |            |                    |
| <b>REAPPRAISAL RESTRICTED FUNDS TRANSFERS</b>       |         |                                   |            |                    |
| CHECK #   |         | ORDERS                            | CHECK DATE | FY20 AMOUNT        |
| BANK CHECK  |         | NEW ENGLAND MUNICIPAL CONSULT.    | 11/18/2019 | \$ 5,850.00        |
| <b>TOTAL ORDERS</b>                                 |         |                                   |            | <b>\$ 5,850.00</b> |
| <b>ROAD &amp; BRIDGE RESTRICTED FUNDS TRANSFERS</b> |         |                                   |            |                    |
| CHECK #   |         | ORDERS                            | CHECK DATE | FY20 AMOUNT        |
| BANK CHECK  |         | PIKE INDUSTRIES                   | 11/18/2019 | \$ 7,976.45        |
| <b>TOTAL ORDERS</b>                                 |         |                                   |            | <b>\$7,976.45</b>  |

**Meeting Adjourned at 5:55 p.m.**

**The next Select Board meeting will be held on Monday December 2<sup>nd</sup>, 2019 at 4:30 p.m.**

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**Michael Marcotte / Chairman**

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**Scott Briere**

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**David Gallup**

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**Amanda Carlson / Town Administrator**

Town of Coventry Vermont  
Municipal Asset Review  
November 18, 2019

In summary the Town of Coventry maintains a brokerage investment account at Fidelity Investments and Catamount Asset Management, with John Henry Hubert acting as the investment advisor. The town account was opened in July of 2018 with initial transfers from Edward Jones and Cambridge, further transfers occurred in September and October from the surrender of annuities held at The Hartford and Jackson National Life Insurance Company. The town has also made an additional contribution of \$542,109 on March 11 of 2019. The investment committee recommended that the total account be invested into the Policy Model over a period of 9 Months (using a process called dollar cost averaging) which was completed in June of 2019 at which point the account was “fully invested” in our Target Model.

Target Model/Investment Recommendation per the IPS dated May 21, 2019

Global Target- Balanced Risk Allocation

|         |              |
|---------|--------------|
| 55-60%  | Stocks       |
| 30-35%  | Bonds        |
| 7.5-10% | Alternatives |
| 2.5-5%  | Cash         |

The portfolio maintains 3 distinct classes of holdings to best meet the investment needs of the portfolio and keep fees to a minimum.

**#1- Balanced Mutual Fund Manager(15%) Vanguard Wellesley Income Fund**  
**Holding to be rebalanced in January**

**#2- Diversified Total Market Indexes(35%) US Total Stock Market Index**  
**Total International Stock Index**  
**US Total Bond Index**  
**Total International Bond Index**  
**Foundation Indexes to be rebalanced a minimum of quarterly**

**#3- Targeted Diversification Indexes(50%) Small Cap Indexes (US and International)**  
**Mid Cap Indexes (US and International)**  
**Large Cap Indexes (US and International)**  
**Bonds (various class and maturities)**  
**Alternatives (Real Estate & Commodities)**  
**Alpha seeking assets to be rebalanced at the discretion of the advisor**

## Summary Results as of November 15, 2019

|                     | Current Quarter     | Year to Date        | 1 Year              | Since Inception     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Value     | 7,769,361.77        | 6,628,668.00        | 6,733,217.07        | 6,788,259.28        |
| Contributions       | 0                   | 542,109             | 542,109             | 542,109             |
| Capital Gain        | 152,835             | 638,219.38          | 479,056.37          | 417,733.39          |
| Dividend/Income     | 8,473.37            | 121,834.73          | 176,448.68          | 182,799.19          |
| <b>Ending Value</b> | <b>7,930,671.11</b> | <b>7,930,671.11</b> | <b>7,930,671.11</b> | <b>7,930,671.11</b> |
| Investment Return   | 2.1%                | 10.8%               | 9.2%                | 7.4%                |

## Highlight of the past 14 Months

- Establishment of Investment Policy Committee- John Henry Hubert, Amanda Carlson, David Barlow, Scott Briere, Michael Marcotte
- Fully outlined and transparent Investment Policy Statement adopted in August of 2018 and updated in May of 2019
- Agreement of Balanced Risk Profile 60% Growth and 40% Income which is the standard for nearly all State Pensions and Large Endowments
- Agreement of 2 policy meetings per year at the Town Office and 4 Quarterly Performance Updates
- Average Investment Manager Fee has been reduced to .211%- this is a total annual savings of over \$100,000 annually to the town
- Our Dollar Cost Averaging decision last October saved us money in November and December of 2018 but cost us money in the first 6 months of 2019.

The Coventry Cemetery Account has grown from \$112,955 to \$134,550- this is invested in a single Growth Mutual Fund- Vanguard Wellington Fund- there are no fees and costs associated with the management of this account.