

The Cabot Board of Selectpersons did meet as warned on 4 October 2006 at 7:00 p.m.

Attending were: Andy Leinoff, Chris Tormey, Sharon Carpentier, Carlton Domey, Ted Domey, Larry Gochey and Caleb Pitkin; Chair; Selectboard, Christopher Kaldor; Town Clerk - Treasurer.

Selectboard [SB] Agenda, copy attached hereto, reviewed and duly noted.

Caleb called the meeting to order at 8:15 p.m.

1. Agenda Item - AI 1 – Larry moved to approve the minutes of 6 September 2006, as printed; Ted seconded. No discussion, motion passed unanimously.
2. AI 2 - Public Comment – No public comment.
3. AI 3 – Andy Leinoff presented copies of a **Proposed Revised Cabot UDAG Plan** [Plan]. Larry asked if the proposed investment of UDAG funds with the Union Bank would be guaranteed against loss of principle. Andy noted the securities selected by the Union Bank Trust Department, on behalf of the Cabot UDAG Fund, would belong to the Town. General discussion ensued about the Union Bank Trust Department and securities investments. Andy described a significant running loss of interest while UDAG funds are invested in FDIC Insured Certificates of Deposit [CDs] due to inflation; further discussion ensued. Andy noted the intended investment strategy is forty percent [40%] high grade fixed income securities, sixty percent [60%] equities [Union Bank, US Stocks]. Andy further noted that unlike the current CD investments, the proposed investments are not guaranteed against loss; however, Andy expects the Union Bank Trust Department will carefully invest the UDAG Funds. Andy noted the UDAG Committee chose a Trust Department as opposed to a Brokerage Firm based on fee schedules. Andy led a general discussion about the merits of the proposed plan. Larry noted his concern for investment risk; discussion ensued. Larry suggested a possible best use for UDAG funds would involve reducing existing, outstanding Town debt. General discussion ensued. Andy described a balancing account designed to maintain a targeted return, net of fees. Larry moved to warn a Special Town Meeting on November 7, 2006 to ask the voters to adopt the revised Cabot UDAG Plan dated 4 October 2006, as submitted by the UDAG Committee; Ted seconded. No discussion, motion passed unanimously. The Selectboard will hold a Public Hearing for the **Proposed Revised Cabot UDAG Plan** on 18 October 2006 prior to their regularly scheduled SB meeting at 7:00 p.m. The UDAG Committee will hold Public Hearings Special Town Meeting Cabot UDAG Plan for the **Proposed Revised Cabot UDAG Plan** on 19 October 2006 at 7:00 p.m. and 21 October 2006 at 3:00 p.m. Andy asked the SB for authority to immediately move the existing

UDAG funds from AG Edwards, Morgan Stanley and Banknorth NA to the Union Bank for investment by the Union Bank Trust Department. Larry requested more time to study the request to move the funds; no action taken.

4. AI 4 – Administrative duties – No administrative duties.
5. AI 5 – Correspondence – Christopher submitted the following:
 - *Revolt & Repeal* Property Tax flyer
 - Vermont League of Cities and Towns 2007 Municipal Policy
 - dog complaint letter from Bonnie Bellavance dated September 20, 2006

SB members discussed the letter from Bonnie. Chris will call Jo Guertin, Cabot Animal Control Officer and prepare a list of unlicensed dogs.

No further correspondence.

6. AI 6 - Legal – No legal business.
7. AI 7 – Other business – The Selectboard Members publicly thank Pike Paving for their generous donation of paving for the drive around the Common, in front of the high school, pursuant to a letter of request from Larry. No further other business.
8. AI 8 - Larry moved to adjourn the meeting; Ted seconded. No discussion, meeting adjourned at 9:45 p.m.

Respectfully submitted:

Christopher Kaldor; Town Clerk – Treasurer

**The next regularly scheduled Selectboard meeting will be held
Wednesday October 18, 2006 at 7 pm following a Public Hearing
for the Proposed Revised Cabot UDAG Plan**