

For the Pound Ridge Board meeting on May 6, 2025

At the April 15, 2025 Board meeting I asked you to answer the following question:

1. This suit was against two state agencies. Why is this Board spending town money on the litigation when the Attorney General has to defend the litigation and can make exactly the same arguments that the town's attorney is making at no cost to the town?

I have today heard no answer to that question. So, I ask it again. Please answer that question now.

I also note that the result of this Board deciding to intervene in an action in which the town was not a party has been little short of catastrophic. The town is now faced with counter-claims alleging violations of the petitioner's civil rights. So now, unless the town is successful on a technicality in dismissing the petition, it will not only have to proceed with the litigation as it was, but the Board will have to also spend even more taxpayer money defending counterclaims alleging civil rights violations.

I ask the Board how can you possibly justify this waste of taxpayer money?

Finally, I would think that some Board member has to sign off on paying these unnecessary legal fees. I respectfully ask who is the Board member responsible for doing so?

Two concerns related to financial management that the board is aware of but that I'd like to reiterate.

First, at the April 1 meeting the board approved an agreement to hire Capital Markets Advisors as a financial advisor on upcoming bond offerings. That firm and its principal, the gentleman who presented at that meeting, were charged with securities violations by the SEC that was approved by a U.S. District court as described in an April, 2024 release that I provided to the board. The judgement included a \$175,000 fine and the allegations included that CMA misled investors with bond offering documents that included outdated financial statements. Based on my experience with financial markets, I strongly recommend that the board find a financial advisor that has not been subject to a serious charge by the SEC.

Second, I see that the draft 2023 audit report that was on the website for two months has now been replaced by a final audit report dated April 16, 2025 that I just saw. The format has changed slightly (it would be helpful to have the page 52 schedule from the draft) but the numbers are the same as in the draft. As you know, I disagree with the allocation of the \$207,354 of interest income. While the open space fund represents 5/6ths of investable cash, it got the benefit of only 1/6th of the interest income. When you look at the numbers, that's only possible if average unrestricted general funds earned 20% interest in 2023 while the open space fund earned 0.8%. I look forward to a fulsome explanation from the auditors on how this hat trick was possible. Thank you.