

November 8, 2011 Joint Meeting of Finance and Capital Committees

Attended by: Matt Emsley, John Potter, Mike Rivers, Larry Pape, Bob Brown, Frank Heinemann

Also attending: Terri Ackerman

Meeting started at 6:08

Terri introduced Sterling's new town accountant, Karen Chick and new treasurer/collector Anne Cervantes.

Met with Chuck Patterson, Dory Huard and Joshua Paul all of Bartholomew & Company. The goal is to determine if Sterling can/should be more aggressive with its investments. Dory explained our existing portfolio in detail, what the legal list is, pending legislation on Beacon Hill and options to get off 'legal list'. Bartholomew was not aware that Sterling has \$1.9 million available at a local bank. Dory explained that this could change its approach as she thought more cash was needed to be available. Discussed wording of the special act that created the Capital Fund. Believed to be open to different interpretations, mainly, are all funds insured? Or do they just need to be protected? Bartholomew meets with town every quarter, mainly to determine liquidity, how much cash is needed, "What is on the horizon for Sterling?" Aim is to have between 2.5% and 5% of portfolio in readily accessible form. Ultimately this is the Treasurer's responsibility. If FinCom and/or Capital wants information or to meet with reps from Bartholomew, how would this work? Who approaches whom? Chuck warned that more risk will affect the town's bond rating. Discussed offering more support to the Town Treasurer, so that she does not 'stand alone' should investments not go as planned. Anne has agreed to invite both chairs of the Fincom and Capital to quarterly meetings. Will discuss further with town counsel regarding language in investment policy. John Potter will devise question to counsel regarding language of 'insurance' vs 'protection'.

Reviewed budget calendar. It is posted on the town's web site.

Mike Rivers brought up issue of receiving information packets just before meetings. It is a lot to read during meetings. Could some or all be sent electronically? Next Capital meeting is January 24th. Will receive plans from departments by January 17th. Joint meeting scheduled for December 20th to meet with Ann.

Joint meeting adjourned at 7:45.

FinCom meeting continued. Minutes from 10/11/11 and 10/18/11 approved with minor edits.

Terri gave status reports. Same as last month, interest not yet posted. Reviewed budget summary sheet. As in past looking at best, middle and worst scenarios. Bob expressed need for an article to address need for a trust fund for OPEB. (Other Post Employment Benefits) Traditionally, Sterling has paid as necessary, state is now requiring the towns have a trust fund if they fund OPEB. Will be on the agenda for our next meeting.

Terri talked about ambulance receipts – new process working in the town’s favor and collections are already much better than last year.

Discussed three options for additional local aid Sterling is receiving due to surplus at fiscal year end and commitment by state legislature to disburse \$65M to towns:

- Can add to local receipts to influence FY12 tax rate

- Can spend, but need a special town meeting to appropriate

- Don’t spend, it can be used at the STM or it becomes free cash and spent most likely in FY14

Motion made to let it be, to wait and see if it will be needed to fund articles. Seconded and voted in.

Reviewed liaison list. One for Cable and BNUC no longer needed.

H.R. Jamie has requested an executive session to discuss collective bargaining. Will be set for December.

Updates on miscellaneous items including Engine 2 accident, tree clearing, parking clerk error and snow storm.

Discussed WRSD’s request for a special town meeting to vote on using funds from oil spill to pay for iPads for the district. Each STM costs the town \$3,000 to \$5,000. Would like answers to questions. Why is this a mid-year request? Why January deadline? What is the plan for distribution? What is the full 5 year plan? What impact, if STM is delayed? Training for staff and students? At this time, FinCom does not support holding a STM.

Town Clerk has concerns regarding upcoming elections and the increase in requests for information. Discussion needed to lay ground rules of format. Bob suggested figuring this out before any IT updates/costs.

Meeting adjourned at 9:10 PM