

**Finance Committee Meeting
December 11, 2012
Butterick Building Room 205**

Members in attendance: John Kilcoyne, Robert Brown, Patrick Fox, Mary Cliett, Barbara Bartlett, Joseph Sova, and Town Administrator, Terri Ackerman.
(Absent Member: Lisa Call)

Chairman John Kilcoyne called meeting to order at 7:01 PM.

Committee Business – None

Prior meeting minutes - Not yet available for approval

Meet with Liaisons - December

Mary Cliett has met with Council on Aging as liaison, and a change was made in assignments to include Pat Fox as liaison to Senior Center Committee. Department Heads were made aware at a recent meeting as to who their liaisons were.

Budget books will be made available to Finance Committee on February 5th. If there are any deviations from expected amounts, liaisons should be made aware of the reasons for such so as to make educated explanations to the rest of the committee. Any further questions should be ready in time for the February 12th meeting, at which time, they will be consolidated and given to Department Heads shortly thereafter. Department Heads will then answer/explain in writing prior to March 2nd budget hearings.

Reserve Fund Transfers – None needed

Presentation and Discussion: Municipal Bond Financing

Christina Lashua (ph: 978-840-8254, email: christina.lashua@edwardjones.com) of Edward Jones provided a presentation of “Municipal Bond Financing”. Ms. Lashua explained that Edward Jones helps towns underwrite a bond to sell to town residents. The interest on these Municipal Bonds is tax free, both at the State and Federal levels. Bonds are limited to \$3 Million and above, however, and only investment-grade bonds (Triple B minus or better). Treasurer Anne Cervantes stated that she would be interested in speaking with other towns which have done this before. She was curious about procurement, etc, as Edward Jones would assist in a “Negotiated Sale”, as opposed to competitive bid on the open market with the assistance of a Bond Advisor. The main distinction is in regards to who can purchase/finance, and only Edward Jones would have the ability to sell. Edward Jones would give the money to the town immediately, and it would become part of their (Edward Jones) portfolio. The town would not

be affected if it wasn't sold wholly to Sterling residents – Edward Jones would sell elsewhere as well.

Strategy Discussion: Upcoming FY14 Budget

Terri Ackerman explained that the Governor's "9C Cuts" would amount to about \$5,800 for the coming year, which means precaution must be taken when looking at state aid. Finance Committee reviewed budget sheets and Ms. Ackerman explained/answered the committee's questions/concerns. Attention was primarily focused on the FY13 Appropriated Budget column (which included numbers voted at Town Meeting) and the FY14 Forecast column. It was noted that it will be especially important to keep an eye on the Stabilization Fund in the coming year. The Finance Committee was also invited to attend the Financial Strategy meeting with the Board of Selectmen scheduled for January 16, 2013.

Discuss SMLD PILOT and potential joint meeting with BOS

Ms. Ackerman explained that all Town departments will detail the services that they provide to the Light Department, and the Light Department will do the same. A meeting will then take place to use that information to come up with a mutually agreed upon PILOT amount, to include in a long-term formal agreement. A formal agreement is essential for proper budget planning, for both the Town and SMLD.

Future Meeting Dates

January 2, 2013	WRSD Regional Agreement Hearing (Ms. Ackerman will provide Finance Committee Members with a copy of the current Regional Agreement prior to this meeting, which will take place in Butterick Bldg, Room 205)
January 16, 2013	Financial Strategy Meeting with Board of Selectmen
February 12, 2012	Finance Committee Meeting (Primarily for budget discussion and drafting questions for Department Heads in preparation for Budget Hearings)
March 2, 2013	Budget Hearings

Motion to adjourn by John Kilcoyne, seconded by Robert Brown

Meeting adjourned 8:40 PM