

**Finance and Budget Committee Minutes
November 21, 2006 8:00 A.M. Room 312**

Councilors in attendance: Cantor, Slifka, Verrengia

Aramark Contract

The administration indicated that, given the current issue regarding the FY07 budget estimates done by Aramark for the Board of Education, the process of regarding the provision of this service would change to immediately preparing an RFP and also designing an in-house alternative. The process will allow for decisions to be made in the early part of the calendar year and the budgetary effects will be known in time for the adoption of the FY08 budget in April.

Blue Back Square Financial Update

The financial update through October was reviewed (attached). An interest only debt payment was made and approximately \$908,000 in payments were processed. To date expenses are \$5 million less than projected, bond payments are as projected, interest income is \$100,000 more than projected, and other revenue is \$50,000 more than projected.

Bond Sale

The Town's annual bond sale is being planned for the end of January. It will be for a total of \$15 million. The projects include the last of the police station bonding (\$4 million) and all the other projects are regular maintenance items. Visits to the rating agencies will be set up for the week of January 16th.

MDC Budget

Chris Johnson reported that the calendar MDC budget allocation to the Town for FY08 has been revised down from \$479,000 to \$294,976. This new amount represents a 4.5% increase over last year. This was done by using projected surplus funds from this years' budget and while helpful in FT08 it could be a problem in FY09.

Street Lighting Reimbursement

CCM and our account representative from CL&P have indicated that CL&P will opt to do a lump sum payment amount rather than credits on future bills. DPUC will have to approve the methodology used to calculate the refund amounts and it is estimated that our share will be \$880,000. If approved, this would be sent to us by January 1st. These funds were not anticipated and therefore there has been no budgetary action taken regarding these funds. Upon receipt the Town Council will have to appropriate them. The Administration was asked to prepare a list of possible uses for these funds.

Budget Survey

It was the feeling of the Committee that it is not necessary to do a budget survey at this time. However, the administration should continue to do the program effectiveness surveys that they have done in the past.

Other Business

The Town Manager stated that the Board administration asked that the funds set aside for Smith School be appropriated so that they could inform the Commissioner of Education at a December 1st meeting. The Committee said they did not think they had to take any additional action at this time (that would allow for the actual expenditure of these funds) and that it would be discussed further at the Educational Liaison Committee meeting on November 30th.

The Committee asked that the Administration prepare, as part of the budget deliberations, a list of relevant factors to compare with other towns.

The next meeting was set for November 28, 2006 at 8 A.M.