

Finance and Budget Committee Minutes

July 18, 2006 7:30 A.M. Room 312

In attendance: Councilors Cantor, Slifka, Sinatro, Verrengia

Year-End Results

Year-end results continue to be positive. The Town should end up with approximately a \$1 million surplus which will be allocated to the unrestricted, unreserved fund balance. This will make the fund balance at 7.5% of expenditures, which is what the goal was.

Prices on the year-end purchase of equipment have been coming in higher than expected, however, there is enough surplus to cover the cost and still make the 7.5% fund balance goal.

School Start Time Cost Analysis

The Committee reviewed the report on the cost analysis of school start time changes. Most of the impacts come from delayed use of facilities by the school teams and thus reducing the rental time available. This is especially true at the golf courses, cornerstone pool, and the Veterans Memorial Skating Rink. More indirect options such as lighting the high school fields or renovating other elementary school fields would require extensive cost.

The Committee asked that the report be sent to the Committee that worked on the School start times.

Smith School Technology Request

The Committee asked for additional information regarding the Board of Education request for funds for Smith School. This included a copy of the State Dept of Education report on Smith School, whether computer costs were in the BOE budget, and what other uses they have for their computer technology capital program.

Investment Policy

The Town Investment Policy for the Medical Reserve Account was reviewed. The major change was the increase, from 40% to 50%, in the proportion of funds that could be invested in equities as opposed to fixed income allocations. This is a result of new State legislation that allows such investments. The Policy will be on the Council's August 8th agenda for consideration.

It was pointed out that a future consideration the Council will have to deal with is whether to make this fund a trust fund or keep it as a reserve fund. This is because of the new GASB guidelines which require an accounting of the retiree medical liability. The actuarial guidelines will only count the assets if they are in a trust fund. In the past, the

rating agencies have preferred these funds to remain as a reserve account in order to maintain some flexibility in their use.

Revaluation Legislation Update

Although reported earlier that the new revaluation legislation would have to be redone due to a technical problem with the adoption, this problem has been resolved and additional legislative action is no longer necessary.

Other Business

The next meeting was set for August 10, 2006 at 7:30 AM.