

MINUTES OF THE SELECTMEN MEETING FINAL

August 5, 2009

Sanford Hall, Town Hall 8:00 AM

Present: Chairman Andrew Espinosa, Dennis Crowley, Richard Dunne, Town Administrator Suzanne Kennedy, Treasurer/Collector Melanie Phillips, Human Resources Director Susan Ellis, and Carol Pratt, Town Accountant [8:45 AM].

8:00 AM – Chairman Espinosa called the duly posted Selectmen’s meeting to order in Sanford Hall.

Approval of Bond Anticipation Note

Treasurer/Collector Melanie Phillips requested the Selectmen approve the BAN issue for the School ESCO borrowing. She noted this borrowing was authorized at the May 11, 2009 Town Meeting.

The amount of the bond is \$2,752,797. The low bid, submitted by Eastern Bank, was 1.5%. Ms. Phillips stated that with the premium of \$17,848.53 offered by the bank the net interest cost is reduced to .848%

Mr. Dunne moved, seconded by Mr. Crowley, and it was unanimously voted to award the BAN for \$2,752,797 with an issue date of August 17, 2009 to Eastern Bank at 1.5% interest rate and a net interest cost of .848%.

Approval of Bond Anticipation Note

Ms. Phillips also requested approval of the Sewer project BAN authorized at the May 12, 2003 Town Meeting. She stated the low bidder was again Eastern Bank at 1.55%.

Mr. Dunne moved, seconded by Mr. Crowley, and it was unanimously voted to award the BAN for \$868,000 with an issue date of August 17, 2009 to Eastern Bank at 1.55% interest rate and a net interest cost of 1.55%

Ms. Kennedy stated there was a need for executive session under exemption three. She stated that the Board may want to return to open session afterwards to discuss preliminary FY11 and 12 budget projections.

Mr. Crowley moved, seconded by Mr. Dunne, to go into executive session under exemption three with the possibility of returning to open session for the purpose stated above. It was so voted by roll call: Mr. Crowley – aye, Mr. Dunne – aye, Mr. Espinosa – aye.

Open session resumed at 8:40 AM following a roll call vote in executive session.

Discussion – Internal Controls for the Recycling Center at Broad Street Ext.

Ms. Kennedy stated that prior independent auditor reports have indicated a need to establish internal controls for the Recycling Center. She stated that it is difficult to accurately account for

the cash flow at the site and the recommendation is to no longer accept cash there. The Selectmen felt that the incoming Public Works Director should address this issue.

Discussion – Preliminary FY11 and FY12 Budget Projections

Town Accountant Carol Pratt distributed two documents relative to the budget projections for fiscal years 2011 and 2012. Ms. Kennedy said the document with the projections is the same as the April format. She said that the base for FY11 was determined by using the FY10 numbers and subtracting the non-recurring expenses. There was some discussion regarding the assumptions behind the numbers.

Mr. Dunne asked whether the Town was prepared to fund the full amount of the Quinn Bill. Ms. Pratt responded that the Town has always budgeted the full amount out of the general fund.

Ms. Kennedy stated that they level funded state aid FY11 and 12, which is 5% lower than the FY09 number. She noted that the concern is the unsustainability of the School Department budget in FY12 once the federal stimulus dollars disappear. The projected deficit is \$1.7 million.

Mr. Crowley stated he would like a more thorough review of the projections before they are presented to the School Committee. He also questioned how the federal stimulus money was accounted for in the budget projections. Ms. Kennedy referred the Board to page three of the Notes handout, and said that they could only assume it was the School Department's budget. She said they do not know what the actual final budget was, only what the Town allocated.

At 9:00 AM Mr. Crowley made a motion to adjourn. Mr. Dunne seconded the motion and it was so voted.

*Approved 9/21/09