

**Finance Committee Meeting Minutes
Town Building
September 23, 2003
Approved**

The meeting came to order at 7:15 p.m. In attendance are Jason Robart, Mary Kerr, Charlie Kern, Laura Rome, David Walrath, Tom Ryan, Patti Heron, Pam Glauner, and Steve Dungan.

The meeting begins with a joint session with the Board of Selectmen.

Introduction and discussion with the Nashoba Regional School District Superintendent Michael Wood.

Superintendent Michael Wood is present. He states that in conjunction with the School Committee, he is taking an active stance on Zero Based Budgeting. The School Committee is developing a point-based system to determine expenses while considering the goals of the district. The superintendent has dealt with Zero Based Budgeting in the past, and he believes some decisions are hard to make and are challenging to the system.

Introduction and discussion with the Nashoba Regional School District Audit Advisory Committee Candidate William Ross.

Mr. Ross states that the NRSD FY '03 audit is going well and that there are now adequate internal controls. The auditor in charge of the audit, Powers and Sullivan, was expected to have the audit released by 10/31/03, but this probably will not happen. An outside firm is currently evaluating the high school building project finances while implementing GASB 34 for Tier 2 communities. A preliminary unofficial audit is expected to be available by the end of October. A final statement will be issued in November, including a signed opinion report and a statement of prior year's audits. Board of Selectmen Chair Kathy Farrell asks if there is a difference between the Audit Advisory Committee and the Audit Review Committee. Mr. Ross responds that the Audit Review Committee was appointed by and reports back to the School Committee, while the Audit Advisory Committee is appointed primarily by and reports back to the three member towns. The charge of the Audit Advisory Committee is to keep the towns informed and determine if the funds have been spent as they were budgeted. Tom Ryan asks if the Audit Advisory Committee is independent from the School Committee. Mr. Ross states that the School Committee appoints one member to the AAC, but the role of the School Committee is one of assistance instead of control. Paula Bruno states that the District agreement does not stipulate a term for an appointed representative to the AAC. Ross Perry moves to appoint William Ross as the Stow member to the AAC until June 30, 2004 or until a qualified successor is appointed. Greg Jones seconds the motion. The motion passes unanimously among both boards; Patti Heron is not present for the vote.

Special Town Meeting Warrant

Bill Wrigley states that the Budget Workgroup is making recommendations on the town deficit. As Chief Financial Officer, he believes that Stow shouldn't balance the budget on the backs of the municipal budget. The town can have another override vote in October with the six debt exclusion articles as noncontingent, but the tax figures will not be set for another 90 days after that. Steve Dungan states that the citizens are expressing

their interest in having another smaller override instead of taking the funds from stored assets. Bill responds that if this override fails again, then the town may need another town meeting after that. Ross Perry and Jack Clayton agree that the special election seems to show a clear message that the town does not want an override of any amount.

Decision on the Special Town Meeting Date

Ross Perry moves to make the Special Town Meeting Saturday 10/25/03, Greg Jones seconds the motion. The motion passes unanimously among the Board of Selectmen.

The Finance Committee reconvenes at 8:35. In attendance are Jason Robart, Mary Kerr, Charlie Kern, Laura Rome, David Walrath, Tom Ryan, Pam Glauner, and Steve Dungan.

Minutes

Review of 9/16/03 minutes. Tom moved that the 9/16 minutes be approved as amended. Jason seconded the motion. The motion passed unanimously.

Correspondence

- ◆ Index of Mass General Laws
- ◆ Reserve Fund Transfer Request for reimbursement of Chapter 90 interest costs.
- ◆ Board of Health 9/23 meeting agenda.
- ◆ Memo from the Board of Selectmen Re: The Board of Selectmen will make every effort to preserve all departmental budgets and capital requests.
- ◆ Memo from the Minuteman High School Superintendent Re: meeting to revisit the town assessment calculation policy.

Liaison Report

Mary Kerr reports that Pat Walrath has distributed new taxing procedures.

Future Projections Template

Steve suggests that the FinCom present a projection of town income and expenses for use at the special town meeting. This will show what the future holds depending on certain variables. Tom volunteers to present the template.

Economic Development Project Report

Jason states that there will be a comprehensive report at the next meeting.

Budget Process Feedback Project Report

Mary states that this is still a work in progress. The group is working with Bolton and Sudbury. Mary stresses the importance of FinCom feedback on the budget process. Pam suggests that in the future, one person analyze the data before the meeting to make sure it is accurate and work with department heads before the whole FinCom is involved. Jason believes it is the Town Administrator's prerogative to make sure that the budgets are submitted with a certain degree of accuracy. Pam adds that the group is also considering ways to make the budget reporting form easier to work with and more simplified.

Other Business

- ◆ Steve states that 10/3 is the deadline to get recommendations into the printed warrant. The FinCom will hold a meeting after their public hearing to discuss and vote recommendations on these articles.

Citizen Input

- ◆ Carole Makary is upset that the warrant was closed so early when the Board of Selectmen allowed so little time for citizen input at their meetings.
- ◆ Chris Way asks if the FinCom would support a smaller override or just vote to spend the money from stored assets. Steve states that an override vote for noncontingent tax increases is possible. Tom states it is possible to vote to transfer from stored assets contingent on the override vote failing. Chris adds that there is no way to increase the tax levy capacity without another override.
- ◆ Linda Stokes adds that there is currently no article to cut services from the municipal budget.
- ◆ Nancy Fleming states that the override voting results are hard to interpret. The failure of the override could have many meanings, including the will to cut services, spend stored assets or a smaller override. Tom asks Nancy if it is possible to reduce the NRSD assessment to Stow by reducing the budget. Nancy responds that this is possible. Tom asks if the approval of the FAB is necessary for this to occur. Nancy responds that FAB approval of the transfer of funds between salaries was not needed, including the \$106,000 that was recently voted to be transferred by the School Committee. Tom believes this is incorrect. Nancy will bring this up at the next School Committee meeting.
- ◆ Carole Makary states that the town is leaning towards taking the path of least resistance and get out of town meeting the quickest by spending the funds from stored assets. This lacks fiscal responsibility. She asks that the FinCom take a stand to stop the situation and think rationally about all the options.

Action Items:

- **Steve to clarify with Nancy Stell-Kiely which year's MCAS scores are printed and if SAT scores are also available, and to include the rate of growth of spending in the report.**
- **Jason and Patti will clarify with Bill if there is any intention of correcting the minimum contribution figure.**
- **Mary and the Fincom to send suggestions to Steve on the proposal on the availability of public documents.**
- **Mary to edit the letter to the Board of Selectmen on the Fincom consensus on how to balance the budget and other town issues.**
- **Steve to distribute a final copy of the warrant to the FinCom before the public hearing.**
- **Steve to include the Reserve Fund Transfer Request for interest costs on the next meeting agenda.**
- **Steve or Patti to check with the Planning Board to see if they have any updated articles for the special town meeting for the public hearing.**
- **Steve and Tom will confer with the Board of Assessors to more accurately determine the impact of tax bills on future spending.**

-Patti to notify the Board of Selectmen that the Fincom supports including the pumper truck debt exclusion article on the special town meeting warrant.

Jason moves to adjourn the meeting, Tom seconds the motion. The motion passes unanimously.

The meeting is adjourned at 9:55.

Respectfully submitted by Mitchell Samson.