

**THE STOW FINANCE COMMITTEE**  
**Standard Operating Procedures**  
**Duties and Responsibilities**

**By Heinz Bachmann**  
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**With updates from the Stow Finance Committee**  
**January 5, 2004**

## **Table of Contents**

About the Author

Acknowledgements

Legal Disclaimer

1. Introduction
2. The Role of the Finance Committee
  - 2.1 Purpose and Structure
    - 2.1.1 Why Stow Has A Finance Committee
    - 2.1.2 Eligibility to Serve
    - 2.1.3 Finance Committee Structure
    - 2.1.4 Member Selection
    - 2.1.5 Resigning from the Finance Committee
    - 2.1.6 Liaison Assignments and Representatives to Other Boards/Committees
  - 2.2 Formal Duties and Responsibilities
    - 2.2.1 Primary Responsibilities of the Finance Committee
    - 2.2.2 Advice the Finance Committee Provides to Town Meeting
    - 2.2.3 Finance Committee Must Make a Recommendation on Every Article
    - 2.2.4 Format of the Recommendations
    - 2.2.5 Developing the Recommendations
    - 2.2.6 Rationale for the Recommendations
    - 2.2.7 Finance Committee Duties at Town Meeting
    - 2.2.8 Extensive Preparation Required
    - 2.2.9 Reserve Fund
    - 2.2.10 How Money is Placed in the Reserve Fund
    - 2.2.11 Reserve Fund Transfers
    - 2.2.12 Snow Removal
    - 2.2.13 Capital Planning, Community Preservation, and Master Plan Committees
    - 2.2.14 Annual Report
    - 2.2.15 Finance Committee Meetings, Notices, Agendas, etc.
    - 2.2.16 Conflict of Interest
    - 2.2.17 Finance Committee Budget
3. Practical Considerations
  - 3.1 The Role of the Chairman
  - 3.2 Conducting Meetings
    - 3.2.1 Robert's Rules of Order
    - 3.2.2 Preparing, Reviewing, and Approving Minutes
    - 3.2.3 Managing E-mails and Other Correspondence
  - 3.3 Planning and Scheduling
    - 3.3.1 Preparing the Spring Schedule
    - 3.3.2 Following Through
    - 3.3.3 Planning for Special Town Meetings
    - 3.3.4 Other Planning
  - 3.4 The Nashoba Regional School District Budget

## **Table of Contents**

- 3.5 Recruiting and Hiring
- 3.6 Expending Finance Committee Funds
- 3.7 Where to Obtain Information
  - 3.7.1 Legal Information
  - 3.7.2 The Role of Finance Committees in General
  - 3.7.3 Facts and Figures About Massachusetts Municipalities
  - 3.7.4 Information About Stow
  - 3.7.5 Financial Data
- 3.8 Some Basic Financial Calculations
  - 3.8.1 Proposition 2½ Levy Limit
  - 3.8.2 The Proposed Tax Levy
  - 3.8.3 The Average Single-Family Residential Tax Bill
  - 3.8.4 The Tax Impact of an Individual Expenditure
- 3.9 Using Town Copy Machines

## **Table of Contents**

### **Attachments**

Attachment A	MGL Chapter 39: Section 16. Appropriation, advisory or finance committees; appointment; tenure; powers and duties.
Attachment B	Finance Committee Report and Recommendations for the 2000 Annual Town Meeting
Attachment C	MGL Chapter 40: Section 6. Towns; reserve funds for extraordinary expenditures; establishment.
Attachment D	Finance Committee Annual Report for 2001
Attachment E	MGL Chapter 39, Section 23a-23c, Open Meetings of Governmental Bodies
Attachment F	Finance Committee Budget Request for FY 2004
Attachment G	Finance Committee Schedule, Winter/Spring 2000
Attachment H	Memo with Budget Review Schedule
Attachment I	Legal Notice for Public Hearing on FY2001 Budget
Attachment J	MGL Chapter 71, Section 16B, Public School Budgets, Apportionment of Expenses
Attachment K	FY2000 Recap Sheet
Attachment L	Cherry Sheet Estimate for FY2000 Tax Levy
Attachment M	Estimate of the Average Single-Family Residential Tax Bill (for Year 2000 Annual Town Meeting)

## **About the Author**

Heinz Georg Bachmann was born in Switzerland. He is an electrical engineer by profession and has no formal training in accounting, finance, economics or any related field. He has been a resident of Stow since 1991 and a United States citizen since 1994. He was appointed to the Stow Finance Committee as an associate member in 1995 and 1996 and as a member in 1997 and 2000. He served as Chairman from the summer of 1998 until the summer of 2000.

## **Acknowledgements**

The author would like to thank Gary Horowitz and Dean Scofield, both former Stow Finance Committee chairmen, and Robert Billups, former Chairman of the Board of Assessors, for their efforts in reviewing this document and for their helpful suggestions. Thanks go also to Wendy Bachmann for her review and proofreading. The efforts of the individuals mentioned above have helped to make this a better document. The blame for any errors that remain rests entirely with the author.

## **Legal Disclaimer**

This document is not intended for use as a formal reference nor as a substitute for legal guidance. The author does not claim to have any legal training and cannot accept liability for any errors that may be contained in this document nor for any consequences that may result from the use of this document.

### **1. Introduction**

State law, the Town of Stow Charter and the Town of Stow General Bylaws, define the Finance Committee's duties and responsibilities. A good overview of Massachusetts Finance Committee responsibilities in general is provided in the *Finance Committee Handbook* of the ATFC (Association of Town Finance Committees). However there is no concise overview that applies specifically to Stow. Moreover, some of what the Stow Finance Committee does is not formally required but has been done by tradition, and it was thought to be desirable to document some of this. As a result, this update of Heinz Bachmann's original work also includes standard operating procedures or instructions on how to do various tasks.

This document is intended as an introduction for new members of the Stow Finance Committee. It is hoped that this will shorten the time required for new members to learn their new responsibilities and become effective contributors. It is also intended as a practical reference for members (in particular the Chairman).

The first part discusses the formal duties of the Stow Finance Committee and provides references to the sources where these are defined. This is followed by some practical

advice, based upon Heinz Bachmann's experience. Finally, there are sections on where to find information and how to perform certain financial calculations.

Some material reflects the author's personal opinion and is so noted.

## 2. The Role of the Finance Committee

The Finance Committee essentially has two functions. These are

- a. To advise Town Meeting.
- b. To administer the reserve fund.

### 2.1 Purpose and Structure

#### 2.1.1 Why Stow Has a Finance Committee

Stow is incorporated as a town. This means that Town Meeting, rather than a legislature of elected representatives, has the final say on all appropriations and legislation. Every town in Massachusetts with a property valuation of \$1 million or more is required by state law to have a Finance Committee (sometimes called an Advisory or Appropriation Committee) to "consider any or all municipal questions for the purpose of making reports or recommendations to the town<sup>1</sup>". To comply with this law, the charter of the Town of Stow requires that there be a Finance Committee<sup>2</sup>.

#### 2.1.2 Eligibility to Serve

Any voter registered in Stow who is not a town officer, agent or employee of the town is eligible to join<sup>3</sup>. There are no other pre-qualifications, such as a financial background.

#### 2.1.3 Finance Committee Structure

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<sup>1</sup> MGL Ch 39, S 16. See Attachment A

<sup>2</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>3</sup> Town of Stow General Bylaws, Art. 4, Section 1

There are five members who are empowered to vote on all matters before the Finance Committee and who serve three-year terms. There are also up to five associate members whose duties are determined by the members<sup>4</sup>. In practice this has meant that the associate members participate fully in all discussions in the same manner as the members except that they cannot vote. Associates also assist with analysis and research and they present recommendations at town meetings. Serving as an associate member is a good way to learn about the duties of the Finance Committee and also to learn about town government in general. The Finance Committee elects its Chairman, who is a member<sup>5</sup>, and hires a secretary, who is a paid employee of the town and therefore cannot be a member.

#### 2.1.4 Member Selection

In Stow the Moderator appoints members and associate members<sup>6</sup>. It is the prerogative of the Moderator to appoint whom he wishes. In the opinion of the author, the Finance Committee should ideally consist of a cross-section of town voters who represent diverse points of view and who can consider the effects of issues on the town as a whole and not just a particular interest group.

While there should be some members who understand finances well, not every member needs to be a finance professional. The Town Administrator is the chief fiscal officer and as such is responsible for the finances<sup>7</sup>. The Finance Committee should have the expertise to understand these, but not every member must be an expert. It is helpful, however, if all members are willing to learn on the job.

Most often members are selected from the ranks of the associate members because they have learned how to do the job and can quickly be effective contributors.

Individuals who are appointed must present themselves to the Town Clerk to be formally sworn in.

#### 2.1.5 Resigning from the Finance Committee

Members and associate members serve through the annual Town Meeting of the year in which their terms expire<sup>8</sup>. A member or associate member can resign at any time, preferably by providing written notification to the Moderator and the Chairman. However, members are encouraged to serve their full terms as this is better for continuity. As for associate members, it is understood that some may find that serving on the Finance Committee is not what they expected and may therefore not complete their terms.

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<sup>4</sup> Town of Stow General Bylaws, Art. 4, Section 1

<sup>5</sup> Formally the Chairman is not required to be a member but customarily has been.

<sup>6</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>7</sup> Charter, Town of Stow, Section 4-2 (i)

<sup>8</sup> Town of Stow General Bylaws, Art. 4, Section 1

### 2.1.6 Liaison Assignments and Representatives to Other Boards/Committees

The Finance Committee needs to stay abreast of developments that may have a financial impact. To that end, the Committee appoints liaisons and representatives to interface with others.

Liaisons review minutes from other boards/committees and attend their meetings on occasion. They report to the Finance Committee as needed. With one exception, liaisons do not have a voice or vote in the activities of the other boards/committees. The exception is the liaison to the Nashoba Regional School Committee. This individual is expected to attend all School Committee meetings. Furthermore, this liaison is fully involved in the School Committee's discussions during the preparation of the annual budget.

Representatives are full voting members of the board or committee to which they are appointed. The Master Planning Committee and the Community Preservation Committee are examples of groups that require Finance Committee representatives.

The Finance Committee prepares an annual list of liaisons and representatives; the one for FY 2003 follows as an example.

**Finance Committee Liaison & Committee Appointments  
FY 2003**

Department		<u>Primary</u>	<u>Secondary</u>	<u>Dept Contact</u>
Assessors	Minor	Jason	Tom	Dottie Wilbur
Board of Health	Minor	Mary		Teri Cole
Capital Planning*	<b>Major</b>	Ed Merrick	Janet	Karen Meyer
Cemetery Committee	Minor	Tom		John O'Connor
Community Preservation*	<b>Major</b>	David	Tom	Bob Wilber
Conservation Commission	Minor	Pam	Patti	Pat Perry
Council on Aging	Minor	Patti		Linda Graves 897-1880
Fire & EMS	Minor	Patti	Dave	Chief Soar 897- 4537
Highway & Grounds	Minor	Tom	Mary	Mike Clayton
Historical Commission	Minor	David		John Makey
Housing Authority	Minor	Jason	Patti & Charles	Mark Carrig, JT Toole
Inspectors	Minor	Tom		Richard Roggeveen
Lake Boon Commission	Minor	Patti		JT Toole
Library	Minor	Mary		Susan Wysk
Moderator	Minor	Steve		Ed Newman
Master Plan Committee*	<b>Major</b>	Mary	Pam	Donna Jacobs



Planning Board	<b>Major</b>	Patti	Jason	Karen Kelleher 897-5098
Police & Dispatch	Minor	Patti	Mary	Chief Rebello 897-4545
Recreation	Minor	Janet		Michael Busch
Regional Schools • NRSB Sch. Committee • Minuteman School Committee	<b>Major</b> Minor	Tom Jason	Mary	Carlos Llonso John O'Connor
Regional School Agreement Review Committee*	<b>Major</b>	Jason	Tom	
Selectmen	Minor	Steve		Paula Bruno 897- 4515
State House	Minor	Dave		Rep. Patricia Walrath
Town Accountant	Minor	Steve		John Roy
Town Administrator	Minor	Steve		Bill Wrigley 897- 2927
Town Clerk	Minor	Patti		Linda Hathaway 897-4514
Treasurer/Collector	Minor	Dave		Carol Vogel
Tri Town Meetings	Minor	Steve		
ZBA	Minor	Patti		Kay Desmond

\* indicates committee appointment

Other Assignments:

- Voter education: Steve & Jason
- School Building Committee: Steve
- IT Advisory: Dave
- Dawes follow-up: Tom, Mary, Jason, Patti

Notice that the appointments are identified as minor or major based upon the time commitments involved. This factor must be considered carefully when making appointments to ensure that workload is distributed evenly among all members and associates.

## 2.2 Formal Duties and Responsibilities

### 2.2.1 Primary Responsibilities of the Finance Committee

The Finance Committee's primary responsibility is advisory. It closely examines all warrant articles, including the budget, that will be presented to Town Meeting and makes recommendations to the voters on the course of action that the town should follow. It also administers the reserve fund set aside by Town Meeting to provide for time-sensitive and/or or unforeseen expenditures that might arise between town meetings. This avoids the need for Special Town Meetings that would otherwise need to be convened to appropriate more funds for even the smallest overrun.

### 2.2.2 Advice the Finance Committee Provides to Town Meeting

Every Town Meeting is called by posting a warrant that contains separate articles for the business that is to be conducted<sup>9</sup>. The Finance Committee must make a recommendation on every warrant article. The recommendation must address any fiscal aspects and include the reasons for the recommendation<sup>10</sup>. The Finance Committee can recommend to approve an article, to not approve an article, to approve an article with an amendment (for example, to appropriate a different amount than requested by the sponsor of an article), or to take no action. For every expenditure that the Finance Committee recommends the Finance Committee must also recommend a method of funding. For every article involving an expenditure, a motion will be made at Town Meeting to *raise and appropriate* (to fund through taxes and state aid), to *appropriate and transfer from available funds* (most often free cash), to *appropriate and transfer from the stabilization fund* (a "rainy day" fund) or to *appropriate and borrow* a sum of money. More information about funding can be found in the *Finance Committee Handbook* of the ATFC (Association of Town Finance Committees). It should be noted that the Finance Committee has the prerogative to make the first motion to amend the operating budget<sup>11</sup>. Traditionally the Moderator has offered this right to the Finance Committee on other articles as well.

### 2.2.3 Finance Committee Must Make a Recommendation on Every Article

This is so stated in the Town Charter<sup>12</sup>. In fact, Town Meeting cannot take any action on a given article until the Finance Committee has made its recommendation on that article<sup>13</sup>.

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<sup>9</sup> Charter, Town of Stow, Section 2-6

<sup>10</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>11</sup> Charter, Town of Stow, Section 6-5 (c)

<sup>12</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>13</sup> Town of Stow General Bylaws, Art. 4, Section 1

#### 2.2.4 Format of the Recommendations

According to the bylaws, the recommendations must be made “in print”<sup>14</sup>. Moreover, the Finance Committee must file a recommendation on the proposed operating budget with the Town Clerk no later than seven days before the scheduled date of the Town Meeting<sup>15</sup>.

The best way to provide advice “in print” is to include the written recommendations in the warrant. After all, making these recommendations is the primary purpose of the Finance Committee, and a written recommendation in the warrant gives the voters the most possible time to study such. Traditionally the Chairman also writes a Finance Committee Report that is included in the warrant for the Annual Town Meeting.

The Finance Committee report deserves some further discussion. There are no rules as to what must be included. The author believes that it should include an overview of the town’s financial status. It should discuss revenue sources and the proposed funding for the individual items because this information is not available anywhere else in the warrant. For the same reason it is a good idea to include the debt schedule and estimates of the tax recap items, which cannot otherwise be found in the warrant but must nevertheless be included in the annual budget.

Also traditionally included in the Finance Committee report is an accounting of the reserve fund for the previous fiscal year.

It is not always possible to include all recommendations in the warrant because often the information needed to make a decision is not available when the warrant goes to print. The best way to provide recommendations in writing other than in the warrant is to file the required report with the Town Clerk and to provide a handout at Town Meeting. An example of such a report can be found in Attachment B, *Finance Committee Report and Recommendations for the 2000 Annual Town Meeting*. This is identical to the warrant report except that it was updated with the latest information and may serve as an example of a warrant report as well.

It should be noted that the sponsor of an article might make a motion that differs from that printed in the warrant (for example, a different monetary amount may be moved). Sometimes the Finance Committee will not know the exact wording of a motion until it is read. In those cases a written recommendation to the actual motion is in fact not possible. However, a written recommendation to the article as printed in the warrant is always required and in principle can always be provided.

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<sup>14</sup> Town of Stow General Bylaws, Art. 4, Section 1

<sup>15</sup> Charter, Town of Stow, Section 6-5 (c)

### 2.2.5 Developing the Recommendations

The recommendations are the result of a process that begins well before the warrant goes to print. The most effort is generally required for the Annual Town Meeting<sup>16</sup>. This is because the Annual Town Meeting deals with the operating budget, for which special rules apply. The recommendations are arrived at through following steps:

- a. The town administrator's budget kickoff meeting. No less than 180 days prior to the scheduled Town Meeting date, the Town Administrator must call a public meeting, to which the Finance Committee is explicitly invited, to "review the financial condition of the Town, revenue and expenditure forecasts and other relevant information in order to develop a coordinated and balanced budget to be submitted to town meeting for approval<sup>17</sup>."
- b. Submittal of the budget to the Finance Committee. No less than 60 days before Town Meeting, the Town Administrator is required to submit a proposed operating budget to the Finance Committee<sup>18</sup>. At this point the Selectmen usually close the warrant, that is, they do not accept any additional articles.
- c. The Finance Committee public hearing. Before advising Town Meeting, the Finance Committee must hold at least one public hearing to allow public discussion of all articles in the warrant, including the budget<sup>19</sup>. Notice of this hearing must be published in a newspaper generally circulated in Stow no less than seven and no more than 14 days prior to the hearing<sup>20</sup>.
- d. The Finance Committee debates articles in public meetings and votes on whether to recommend approval or not. This again specifically includes the budget<sup>21</sup>.
- e. The Finance Committee submits recommendations for as many articles as possible for printing in the warrant.
- f. No less than seven days prior to Town Meeting, the Finance Committee files a report with the Town Clerk that contains all recommendations, including those not included in the warrant<sup>22</sup>.

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<sup>16</sup> Per Town of Stow General Bylaws, Section 1, this is held on the 3<sup>rd</sup> Monday in May.

<sup>17</sup> Charter, Town of Stow, Section 6-2 (a)

<sup>18</sup> Charter, Town of Stow, Section 6-2 (b)

<sup>19</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>20</sup> Charter, Town of Stow, Section 6-5 (a)

<sup>21</sup> Charter, Town of Stow, Section 6-5 (b)

<sup>22</sup> Charter, Town of Stow, Section 6-5 (c)

Because the number of departmental budget reviews required generally does not permit waiting until 60 days prior to Town Meeting, the Finance Committee traditionally begins reviewing the budget well before formal submission of such by the Town Administrator (perhaps 90 - 120 days before Town Meeting). This is done on the basis of the budget requests as submitted to the Town Administrator by the town departments, who are notified of the budget review schedule and who are invited to attend those meetings. Each department thus is given an opportunity to justify its budget request to the Finance Committee in person.

At Special Town Meetings, there is normally no action on the budget. However, a public hearing is nevertheless required. Although the rules for publishing the time and place of the public hearing for the annual budget review do not apply, the Finance Committee has traditionally followed them anyway. Also, there is no requirement to file a report with the Town Clerk, but it is nevertheless a good idea to do so as this fulfills the requirement for a recommendation “in print”. In short, steps c through f above should generally be followed prior to a Special Town Meeting as well.

#### 2.2.6 Rationale for the Recommendations

This is a somewhat controversial topic. The only requirement per the charter and bylaws is that the recommendation be “on the fiscal aspects, if any<sup>23</sup>”. Cost, therefore, should be a major consideration. Yet, in the opinion of the author, it cannot be the only consideration. A recommendation, which by definition must include the course of action that the Finance Committee believes that Town Meeting should follow (i.e., to approve, disapprove, amend or take no action), is required by both state law and by the charter. Since most articles involve appropriating a sum for a given purpose, the only sensible course of action is to weigh the benefit gained by the expenditure against the cost of such. The alternative would be to recommend against any expenditure at all, which in effect would negate the ability of the Finance Committee to make a recommendation. This is why in some towns the Finance Committee is called the *Advisory Committee*, a name that better describes its function (i.e., to *advise* Town Meeting).

The author recommends the following course of action:

- a. **Gather input.** The public hearing and budget reviews with the town departments are good forums to do so. Attending selected meetings of other boards can also be a good means of obtaining information. Note that the Finance Committee is empowered to require the Town Administrator or any other town agency to furnish it with any information that it deems necessary<sup>24</sup>.

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<sup>23</sup> Charter, Town of Stow, Section 2-4 (b)

<sup>24</sup> Charter, Town of Stow, Section 6-5 (c), and Town of Stow Bylaws, Art. 4, Section 1

- b. Determine the cost to the town (if any) of each article. Most often this is an amount to be appropriated, but often there can be hidden costs as well. For example, a change in the zoning bylaws might result in litigation or a change in the tax base. In considering the costs, it is a good idea to look at the source of funding (property taxes, stored assets, state grants, etc.), the total amount, and, in the case of property taxes, the effect on the individual tax bill. Because most Stow residences are single-family homes, the Finance Committee has traditionally estimated the impact to the average single-family residential tax.
- c. Weigh the cost against the benefit that these funds will bring. For example, is the amount proposed for the education budget justified by the quality of education that is expected to result from this? The Finance Committee should also consider whether the article, regardless of the financial consequences, is beneficial to the town.
- d. Where feasible examine alternatives. Is the expenditure really necessary or can the same objective be accomplished in a different, perhaps more economical manner?
- e. Finally, when this has been done for all articles, consider the overall financial picture. Some specific considerations are:
  - i) Is the overall tax increase justified?
  - ii) Will this budget leave the town with sufficient stored assets (free cash and stabilization fund)?
  - iii) Is a Proposition 2½ override election necessary (always a risky undertaking, because it may not pass)?
  - iv) What is the effect on the overall debt schedule?
  - v) What are the long-term consequences? Will proposed programs result in spending that can be sustained? Will they leave the town with sufficient stored assets over a foreseeable period of time?

After considerations of this sort, it may seem wise to disapprove some proposed expenditures, even if they have merit when considered on their own.

**Note:** In the opinion of the authors, Finance Committee consideration of the overall financial picture is extremely important. The Finance Committee is the only body in town that objectively considers the financial “big picture.” The other boards and committees are concerned primarily with their slices of the pie in which they have vested interests. For example, the Town Administrator and Selectmen are primarily concerned with the operating budget, the School Committee with the education budget, the sponsors of the various articles with those articles, etc., and are thus inherently predisposed to a somewhat biased view. Although its members can obviously have biases, the Finance Committee is (at least by the nature of its charter) not predisposed towards any particular point of view and is in a position to weigh everything in an unbiased manner.

When these considerations have been made (through debates at public meetings), the Finance Committee must vote on each article. Each member has to decide whether the article deserves to be approved or not and must vote accordingly. He or she should try to be as objective as possible, yet for many of these decisions there are no objective criteria. Reasonable people may disagree, for example, on the proper level of education funding. Each member must vote for what he or she believes to be in the best interest of the town based on his/her own set of values. Opinions may differ and Finance Committee recommendations are not always unanimous. This why the authors believe that the Finance Committee membership should represent diverse points of view that reflect those of a cross-section of the voters of Stow.

#### 2.2.7 Finance Committee Duties at Town Meeting

Like all town agencies, the Finance Committee must have at least one person in attendance to provide information<sup>25</sup>. Traditionally, the Stow Finance Committee does the following at Town Meeting:

- a. Present an overview. This is normally given by the Chairman in the form of a presentation near the beginning of Town Meeting. There are no rules as to what this must contain. In recent years it has consisted of a big picture overview similar to the report in the warrant, thus giving the voters an idea of all the upcoming business before they become immersed in the details of the individual articles. This helps when difficult decisions must be made between funding different items (i.e., that path might look like a good idea, but is it still worth funding if this means less funding for the fire department?).
- b. Make recommendations on each article. As each article is discussed, a member or associate member of the Finance Committee verbally makes a recommendation

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<sup>25</sup> Charter, Town of Stow, Section 2-8

on such. With the Moderator's permission the Finance Committee may also give presentations on articles that merit in-depth discussion.

- c. Provide any additional information that the Moderator deems appropriate. This is often done in response to a participant's request (for example, why do we need to keep so much free cash?).
- d. Keep a running total of all monies appropriated. Traditionally the Moderator asks the Finance Committee to do this.
- e. Balance the budget. This is done with one of the last articles. After the conclusion of all business the budget must be balanced or the state will not certify the results of Town Meeting. As part of that article the Finance Committee can move to use some available funds to reduce the tax rate, that is, to apply them to fund expenditures for which funds were raised and appropriated. There are many rules to follow to arrive at a balanced budget, the details of which can be found in the *Finance Committee Handbook* of the ATFC (Association of Town Finance Committees). In essence, it means that
  - i) The Town cannot raise and appropriate more than maximum allowable under Proposition 2½ without an override election.
  - ii) The Town cannot appropriate and transfer from available funds (for example, free cash) more funds than it has available.

The Finance Committee should know that, once an article has been voted on, that article can be reconsidered only within two hours after that vote unless, before that two hour period has expired, someone has announced their intent to reconsider that article<sup>26</sup>. This is important because, if at the end of Town Meeting the budget does not balance, it may be desirable to reconsider some articles. If this situation is likely to arise, the Finance Committee should select some articles and announce the intent to reconsider them **at the time Town Meeting takes up the article to balance the budget.**

#### 2.2.8 Extensive Preparation Required

In fact, this is where most of the effort comes in. Obviously the presentations and recommendations should be prepared in advance. It is essential to prepare a form for keeping the balances of money appropriated (this may be done on a computer if one is available). Finally it is a good idea to have the most important financial facts and figures available. This should include all of the same information that is in the Finance Committee report, but should, if possible, be updated with the latest available information. It is also a good idea to anticipate possible questions that might arise and have answers prepared.

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<sup>26</sup> Town of Stow General Bylaws, Art. 2, Section 2



### 2.2.9 Reserve Fund

Managing the reserve fund is the only Finance Committee role that is not advisory. In discharging this responsibility, the Finance Committee acts in place of Town Meeting. Under state law<sup>27</sup> a town may appropriate money into a reserve fund. In the opinion of the Department of Revenue (DOR), these funds may be used “to provide for extraordinary or unforeseen expenditures” that could not have been anticipated before town meeting, or “to allow immediate expenditures of funds in the event of an emergency” when the delay of having to call a special town meeting could be potentially harmful<sup>28</sup>. The Finance Committee must approve all transfers from this fund<sup>29</sup>.

Reserve Fund requests received after June 30 for the prior fiscal year will be processed as long as they are received by the cutoff date set by the Town Accountant for submitting all expenses. This is usually around the middle of July.

### 2.2.10 How Money is Placed in the Reserve Fund

Money is appropriated to the reserve fund by Town Meeting just like any other expenditure. In recent years the amount voted for the reserve fund has been \$80,000 to \$100,000.

### 2.2.11 Reserve Fund Transfer Procedure

The Procedure is as follows:

1. The requestor sends one copy of the form to the Town Administrator and three copies to the Finance Committee.
2. The Finance Committee chairperson reviews the request with the Town Administrator to make sure no other funds are available.
3. If the Town Administrator identifies no other source of the funds requested, the Finance Committee discusses and votes the request.
4. The Finance Committee chair signs all three forms and distributes them as follows:
  - One original to Town Accountant
  - One original to Requestor
  - One original to Finance Committee file

The Finance Committee will only approve transfers to a specific line item in the budget, which must therefore be spent only for the purpose of that line item<sup>30</sup>.

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<sup>27</sup> MGL Ch. 40 S 6. See Attachment C

<sup>28</sup> ATFC Handbook, Ch. 3

<sup>29</sup> MGL Ch. 40 S 6. See Attachment C

<sup>30</sup> Per MGL Ch. 40 S 6, “No direct drafts against this fund shall be made...”

As an example, a reserve fund transfer was granted to the library for repairs of damages resulting from a lightning strike.

#### 2.2.12 Snow Removal

Emergency winter related expenses do not need to be paid from the reserve fund. Each year Town Meeting appropriates a line item for snow and ice removal expenses as part of the highways and grounds budget. If these funds are exhausted, then, as an alternative to a reserve fund transfer, the Finance Committee, may, together with the Selectmen, vote to incur “liability and make expenditure in excess of appropriations<sup>31</sup>.” Doing so results in these costs being included in the tax levy in the following year (typically as part of the recap items added by the Board of Assessors). This option can be exercised if the committee anticipates that the reserve fund may not be sufficient to grant all of the necessary transfer requests in the current fiscal year.

#### 2.2.13 Capital Planning, Community Preservation, and Master Plan Committees

The Finance Committee must appoint a voting representative to these committees<sup>32</sup>. Although this is not formally required for the Capital Planning Committee, the Finance Committee has traditionally appointed a Finance Committee member. The duties of the Capital Planning Committee are described in the Town Charter.

#### 2.2.14 Annual Report

Like all town departments, committees, and boards, the Finance Committee must submit an annual report to the Selectmen before March 15<sup>th</sup> of each year<sup>33</sup>. (In practice, the actual due date is in February; the Selectmen will notify the Committee in advance.) Traditionally the Chairman writes this report. The only requirement as to its contents is a schedule of all property in the charge of the Finance Committee<sup>34</sup>. The Finance Committee usually does not own any property, but it might be a good idea to give a statement of the reserve fund. It is the opinion of the authors that the Finance Committee’s annual report should present a big picture financial overview. Attachment D contains the annual report for 2001 and is included as a sample.

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<sup>31</sup> MGL Ch. 44 Section 41D

<sup>32</sup> Charter, Town of Stow, Section 8 (a)

<sup>33</sup> Town of Stow General Bylaws, Art. 3, Section 3

<sup>34</sup> Town of Stow General Bylaws, Art. 3, Section 4

## 2.2.15 Finance Committee Meetings, Notices, Agendas, etc.

There are many rules concerning these in state law<sup>35</sup> and the Town Charter<sup>36</sup>. Some important points are summarized below.

- a. Regular Meetings. Like all town bodies, the Finance Committee is required to have regular meetings. The Finance Committee has experimented with different meeting dates, but has recently returned to the traditional meeting dates of the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of every month.
- b. Calling Meetings. A meeting can be called by the Chairman or by  $\frac{1}{3}$  of the members (i.e., by 2 members). Traditionally the Chairman determines the meeting times and agendas, **but any member or associate can request that an item be placed on the agenda.**
- c. Meeting Notices. These must be posted on the town bulletin board no less than 48 hours before the scheduled meeting unless it is an emergency meeting. Written notice of *non-regular* meetings must be delivered to the residence or place of business of every member at least 48 hours before the meeting. Recently the Finance Committee has distributed agendas and notices by E-mail. It is unclear if this constitutes “written notices”. However, it certainly makes doing business more efficient as it eliminates the expenses of mailing or hand-delivering notices. The authors recommend that this be continued if possible.
- d. Meeting Agendas. Agendas must be posted on the town bulletin board at least one business day before the meeting. Except in case of emergency only business listed on the agenda may be considered at a given meeting.
- e. Quorum. The Stow Finance Committee requires a majority of its **voting** members, i.e. at least three, to be present at any meeting.
- f. Rule of the Meeting. Just like any other board, the Finance Committee can determine its own rules of conduct. Because Finance Committee meetings are rarely well attended by the public, it has not been necessary to make any formal rules and the discussions have been fairly informal.
- g. Voting. The vote of every member must be recorded in the minutes unless it is a unanimous vote.
- h. Minutes. Minutes must be kept of all meetings. They must be provided to the Town Clerk within 30 days after the meeting. They are a public record, meaning that anyone may request copies of them from the Town Clerk. Traditionally the Finance Committee has reviewed and voted to accept its minutes before submitting them to the Town Clerk. The minutes must contain the date, time and place of the meeting, the names of all members present, and all action taken at the meeting.

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<sup>35</sup> MGL Ch. 39, Section 23a-23c. See Attachment E

<sup>36</sup> Charter, Town of Stow, Section 7-8

- i. Open Meeting Law. Unless it is an executive session, all meetings are open to the public. The Finance Committee very rarely has reason to meet in executive session, which may only be convened for specific purposes as described in Attachment E. Minutes must be taken of executive sessions as well, but can be kept secret until the reason for why the business was conducted in executive session is no longer relevant per majority vote of the Finance Committee. Also, copies of all documents that are distributed to Finance Committee members at a given meeting must be provided to others in attendance. If a document is a draft, the Committee will provide copies when the draft is finalized.

This topic is covered in more detail in the *Finance Committee Handbook* of the ATFC.

#### 2.2.16 Conflicts of Interest

For purposes of the conflict of interest law, Finance Committee members are considered municipal employees<sup>37</sup> and must therefore abide by **the Conflict of Interest Law**. The law concerns itself mainly with financial conflict of interest (i.e., a Finance Committee member may not participate in or vote on business from which he or a close relative, business partner, employer, etc. may profit). **When in doubt regarding a potential conflict of interest, a member/associate should contact the State Ethics Commission at 617-727-0060. There is also information** in the *Finance Committee Handbook* of the ATFC.

#### 2.2.17 Finance Committee Budget

Just like all other departments, the Finance Committee must prepare and submit a budget request to the Town Administrator, who usually requests this in December. Town Meeting appropriates funds for the Finance **Committee (usually a line item for wages and one for expenses)**. The Finance Committee is expected to live within that budget just like any other department. However, with good reason as described in 2.2.9, the Finance Committee may grant itself a reserve fund transfer.

As a sample, the Finance Committee budget request for FY2004 is attached (see Attachment F).

### 3. Practical Considerations

The following section does not address formal rules, but rather is intended to pass along the experience of one former Chairman that may simplify conducting the business of the Finance Committee and is intended especially for the Chairman. Each Chairman will find his own way of fulfilling the role, but this may serve as a starting point.

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<sup>37</sup> MGL Ch 268A, Section 1(g)

### 3.1 The Role of the Chairman

The Chairman is the presiding officer at all Finance Committee **meetings and hearings**. He is the person who must ensure that the committee fulfills its obligations. This begins with understanding what these are. Then he must plan how to meet them. Planning and scheduling are two of the Chairman's major tasks. Normally he sets the agenda and must ensure that it includes all of the required business.

The Chairman would do well to remember that he is working with volunteers and not employees. A good mindset is that of a team captain, not a business manager.

### 3.2 Conducting Meetings

**The Chairman** maintains order and directs the meeting. The flow of discussion at Finance Committee meetings has traditionally been fairly informal. This can lead to good discussions and much give and take. However, if not carefully moderated, it can also result in **deviations from the agenda** and meetings dragging on far beyond their scheduled closing times. While there are certainly instances where this is justified and even necessary, it should not occur too often. Some members will find this frustrating, which in turn will make member retention (and, more importantly, secretary retention) more difficult.

The effort begins with setting a realistic agenda, (i.e., allow sufficient time for the business at hand). Then, at the meeting, the Chairman should make an effort to prevent the discussion from going off on tangents and keep it focused on the agenda. This is all much easier than it sounds. A new Chairman will probably require some experience before he learns what times are realistic for what purposes.

Although there are certainly times when the Chairman, like any other member, must make a point on an issue, it generally helps if he does not engage too passionately in the discussion but instead focuses on his role as presiding officer, i.e., to moderate, maintain order, and keep time. At times there will be disagreements between committee members. While the Chairman is certainly entitled, and even required, to have an opinion on issues, he must sometimes referee between other members. In this, it helps to have their trust. The other members should feel assured that, while the Chairman does have an opinion, he will nevertheless allow a fair hearing of all sides of an issue.

**Regular meetings are typically adjourned when all items on the agenda have been addressed; however, a different approach may be required when the Finance Committee needs to meet immediately before a Town Meeting. Last-minute changes in warrant articles may require the Finance Committee to reassess its position. There is no time to post additional meeting dates and agendas. To plan for this contingency, several days before the start of a Town Meeting the Chairman should post a Finance Committee meeting notice and agenda for the inclusive dates of the Town Meeting. The agenda simply states that the purpose of the meeting is to address any late-breaking**

developments related to the Town Meeting warrant. If the Finance Committee does meet just prior to the start of Town Meeting on the first night for example, the Committee should recess that session at the conclusion of business. This way, the Committee can meet on subsequent Town Meeting nights without having to post separate agendas and specific meeting dates. The Committee does not adjourn until the end of the last pre-Town Meeting session.

#### 3.2.1 Robert's Rules of Order

The Finance Committee has not adopted Robert's Rules or any other formal meeting rules at present.

#### 3.2.2 Preparing, Reviewing, and Approving Meeting Minutes

The Secretary's primary role is to take minutes and distribute drafts to the Committee for review and approval. The draft for a given meeting should be available via e-mail prior to the next meeting, and members/associates should read the draft and identify comments/corrections before arriving at the next meeting. The Chairman will ask for any changes one page at a time and the Secretary will update the draft accordingly. Once all changes are made, the Chairman requests a motion to approve the minutes "as submitted" or "as amended." As soon as possible after approval, the Secretary marks page one of the draft as "Approved" and sends a copy to all members and associates via e-mail or other means. The secretary also delivers a hard copy to the Town Clerk and places the original in the Finance Committee file at Town Building.

#### 3.2.3 Managing e-Mail and Other Correspondence

It is critical to balance the convenience of e-mail with the requirements of the open meeting law. For example, a quorum results if a Committee member sends an e-mail to at least two other members. Therefore, it is mandatory that e-mail not be used to discuss an issue or give opinions. E-mail should be used only to disseminate information, not to react to it. This means that if a member or associate wants to discuss something in an e-mail he or she receives, the e-mail must be copied, entered as official correspondence in the minutes of the next meeting, and distributed to the Committee at that time. The same rules apply to other correspondence. Copies of all correspondence entered into the record at a given meeting must be placed in the Finance Committee file at Town Building along with the corresponding meeting agenda.

### 3.3 Planning and Scheduling

Proper planning is essential to ensure that the Finance Committee fulfills all of its obligations and is prepared at Town Meeting. Every year the process described in §2.2.5 must be followed. Many events must happen at certain times and in a certain order. If a plan is not put together early on, the result will be many irregular meetings called on short notice that tend to end quite late.

In planning for the Annual Town Meeting, the Finance Committee is constrained by following dates.

- a. The Town Administrator's budget submission (no later than 60 days prior to Town Meeting).
- b. The closing of the warrant (traditionally early March).
- c. The warrant going to print (traditionally mid-April).
- d. The filing of the final Finance Committee report with the Town Clerk **and the Selectmen's Administrative Assistant (prior to the printing of the warrant)**.
- e. Town Meeting (third Monday in May).

To understand why these dates are important, let's discuss the process. As mentioned earlier, as many written recommendations as possible should be included in the warrant. Obviously these must be submitted to the Town Administrator prior to the warrant going to print. However, before these are written, a public hearing must be held, and a vote must be taken on each article. The warrant must be closed before the public hearing is held. This means that the month or so between the closing of the warrant and the submission of the recommendations is a very busy time. The Finance Committee must hold a public hearing, take a vote on each article and write recommendations.

An example of a schedule can be found in Attachment G. As discussed earlier, there is not enough time to begin the budget review process after formal submission of the budget by the Town Administrator. However, prior to his formal budget, the Town Administrator will provide the budget requests as submitted to him by the departments (usually in early January), which can serve as the basis of the initial budget review.

### 3.3.1 Preparing the Spring Schedule

In late December or early January, the Chairman should:

- a. Get the dates for the events listed above from the Town Administrator or the Selectmen's administrative assistant.
- b. Generate a list of the budgets that must be reviewed. As an example, Attachment G, p. G-1, contains the list for FY2001. In the next few years this will probably not change too much, but it is a good idea to confirm this with the Town Administrator.
- c. Assign a principal reviewer for each budget. The principal reviewer should study the budget in detail and, if necessary, speak to the department to obtain additional information that may be required.

- d. Allot an amount of time for each budget review. This is a session to which the requesting department may be invited to come and justify its budget. Estimating these times is again a matter of experience. The times shown in Attachment G will probably be a good starting point for the next few years (assuming that the Chairman keeps the meetings on track). These times may vary if there is a controversial item in the budget that may need more time to present. For example, for FY2001 the Fire Department requested a substantial increase and the review time was extended to 30 minutes.
- e. Schedule a date and time for each review. The secretary usually handles this task. In doing so, consider:
  - i. Which budgets are likely to be submitted late? Schedule those later. For example, the Nashoba budget request, although due on March 15<sup>38</sup>, has in most of the last few years been presented much later than that. It makes sense to schedule that as late as possible.
  - ii. Which budgets are likely to be controversial? Schedule those earlier if possible so that there is sufficient time to revisit them.
  - iii. Which budgets the same person will present? For example, for FY2001, the budgets for Municipal Lighting, Selectmen, Town Reports and Zoning Board of Appeals were presented by the Selectmen's Administrative Assistant. As a courtesy to the presenters, schedule these budgets consecutively if possible.
  - iv. It is reasonable to expect that some departments will request to be rescheduled. Therefore the first review date can be heavily loaded on the assumption that there will be some no-shows. Conversely there should be time allotted at later meetings to accommodate these.Schedule as many reviews as possible before the warrant closes so that there is sufficient time later for the public hearing and voting recommendations.
- f. Send a memo to all department heads informing them of the scheduled date and time of their budget review. Tell them that these times are approximate and to please let you (or the secretary) know if they would like to reschedule or if they require more time than allotted. For a sample see Attachment H.
- g. Schedule the public hearing. It is a good idea to hold this as soon as possible after the warrant closes. As discussed, a legal notice for this must be placed in a local paper to appear between 7 and 14 days prior to the hearing. Recently this has been in the *Beacon Villager*, but it could just as easily be another paper such as the *Middlesex News* or the *Stow Paper*. Be aware of the deadline to submit legal notices (for example, the Beacon Villager currently will accept them until noon on Friday before publication). A sample of a legal notice can be found in Attachment I. **In addition to notices in the papers, the announcement of the public hearing should also be posted on the right-hand bulletin board at Town Building, and copies should be placed in all of the mail slots at Town Building.**

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<sup>38</sup> Nashoba Regional School District Agreement, Section 8.



As a practical matter, unless a high turnout is expected, it is a good idea not to schedule too much time for a public hearing. This is because, unless there is a particular “hot button” article that commands public attention, the hearings are usually poorly attended and therefore do not require much time. However, they cannot be closed prior to the published closing time, which means that the Finance Committee cannot conduct any other business until then. If there is a heavier than expected turnout the hearing can always be extended.

- h. Schedule as many meetings between the public hearing and the deadline for submission of written recommendations as you estimate might be required to arrive at recommendations before they must be submitted for inclusion in the warrant. How many will actually be needed depends upon the business at hand, and at this point you probably do not know of any extraordinary articles.
- i. Schedule additional meetings between the deadline for submission of recommendations and Town Meeting to prepare for Town Meeting (prepare any recommendations not included in the warrant, prepare presentations, etc.). How many will actually be required depends again upon the business at hand, but it will probably be possible to revert to the regular schedule (for example, every 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month).

In practice this schedule will rarely be adhered to exactly, but now there is a roadmap.

In preparing this schedule, the Chairman should consult with the other members and give them a chance to comment about things such as assignments, times, etc., before finalizing the plan.

During all of this, the Chairman (or another member/associate) should not forget that he must prepare an annual report. The Town Administrator or the Selectmen's Administrative Assistant will probably set a deadline early in February. Also, the Chairman will need to prepare a report for the warrant, which cannot be completed until the Finance Committee has made decisions on all of the articles for which recommendations will be included in the warrant. Properly completing both of these reports can be quite time-consuming. For this reason it is a good idea for the Chairman to delegate as much as possible to the other members. Preparation of these reports can provide excellent training opportunities for associate members.

### 3.3.2 Following Through

Now that a plan is in place, it will most likely be modified shortly. It is likely that some departments will seek to reschedule to a different time or request more time. Handling the details of this is a task that can be delegated to the secretary if the Chairman prefers not to handle this himself. He should, however, keep track of the milestones so that he has enough warning when things slip and can take action to recover.

Shortly after the warrant closes the Finance Committee should have received all special articles. At that time each article should be assigned to a committee member for detailed review. Now it is easier to estimate the effort needed to complete the review and to adjust the schedule as needed.

As a practical matter, even though the warrant is closed at a certain date, the wording of some articles may change after the closing date. It is very important that the Finance Committee review and vote on articles as they appear in the warrant. Sometimes, a motion will be made on Town Meeting floor, and that motion will contain significant differences from the original warrant article. Here are the recommendations for dealing with discrepancies between motions and warrant articles:

1. The Finance Committee should make every effort to anticipate and resolve all potential surprises before Town Meeting. This means the Finance Committee should actively seek out the appropriate board chairpersons and ask about possible last-minute significant changes.
2. The Finance Committee must read each motion completely prior to Town Meeting to see if the language is in sync with the corresponding warrant articles.
3. The Finance Committee should schedule a meeting between STOWS and Town Meeting so that members can deliberate and re-vote articles if needed once the motions are available. This meeting would preferably occur the day after STOWS.
4. If, in spite of diligent efforts to identify and resolve discrepancies in advance, the Finance Committee is blindsided on Town Meeting floor, the chairperson can state that the Committee is not prepared to give a recommendation.

### 3.3.3 Planning for Special Town Meetings

While the Annual Town Meeting is the biggest event for the Finance Committee (at least in terms of effort), there are other events as well. In recent years Stow has had at least one Special Town Meeting per year. Special Town Meetings are somewhat simpler because there is no budget review process, but there must also be a public hearing and possibly additional meetings with the sponsors of the articles. Again, things will go much smoother if these efforts are scheduled well in advance.

### 3.3.4 Other Planning

When not busy planning for Town Meetings some time can be spent with things like orienting new members, organization, planning ahead, etc., as well as dealing with reserve fund transfer requests. In general, though, these times should not be overscheduled so that the committee gets a break.

## 3.4 The Nashoba Regional School District Budget

The budget for the Nashoba Regional School District (NRSD) deserves a special mention for several reasons. The NRSD budget is by far the town's largest expenditure (about 60% of the total over the last few years) and thus deserves a thorough review. While the School Committee is required to present a budget with detailed line items at Town Meeting, it can at any time decide to reallocate the portion of their funds that consists of the town's contribution in any way that it chooses<sup>39</sup>. Finally, although the submission for the FY2000 Annual Town Meeting was a pleasant exception, it tends to be submitted late (in violation of the regional school district agreement, as noted earlier). This last point makes budget planning very difficult. Even if submitted by March 15, it is difficult for the Town Administrator to prepare his budget proposal, which is also due by mid-March, until he knows the largest expenditure request in the town budget. For planning purposes he can use estimates for the NRSD request, yet even a small change from the NRSD estimate translates into a substantial impact to the amount remaining for the rest of the town budget with regard to what is acceptable to a majority of taxpayers and with regard to the Proposition 2½ levy limit.

The best solution might be to amend the regional agreement to require that the NRSD submit budget requests by December like the town departments. However, failing that:

- a. Early in the planning process (perhaps by November) estimate a number for the town's assessment that could be accommodated. Obviously this number must rely itself on estimates of the other budget requests.

To arrive at this number, it is a good idea to consult with the Bolton Advisory Committee and the Lancaster Finance Committee (from the other NRSD member towns) to discuss their budgetary constraints and investigate the possibility of a mutually acceptable number.

- b. Communicate the town's financial status to the School Committee along with a guideline for the school budget. In this manner they are at least given an idea of what the towns can afford and what number would likely receive Finance Committee support at Town Meeting.

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<sup>39</sup> MGL Ch. 71, Section 16B. See Attachment J.

### 3.5 Recruiting and Hiring

Over the last several years the Finance Committee has had difficulty in retaining both members and a secretary. The most successful strategy to find both was to include a note seeking either members or a secretary with a Town Meeting warrant. Because a Town Meeting warrant is mailed to every household in Stow, this is a very effective (and cost-effective) method of reaching potential recruits and employees.

Once the committee has selected a secretary, this should be conveyed to the Town Administrator, who will handle the formalities. It should be noted that compensation is defined in the town *Wage and Salary Schedule*, Group C, Town Secretary. **The Chairman needs to keep track of the secretary's hire date and subsequent salary/step increase dates and communicate these changes to the Town Accountant at least two weeks prior to the effective date.**

### 3.6 Expending Finance Committee Funds

Like all other departments the Finance Committee has a budget and will therefore expend funds. The largest expenditure is usually secretary wages. The secretary must keep his hours on a form that he periodically submits to the Town Accountant to be paid. As the department head the Chairman must review and approve these hours, which is done by signing on a place on the form. The secretary will also submit expenses such as postage for reimbursement, also after the Chairman's approval. **Expenses must be documented on the "Schedule of Departmental Bills Payable" form available from the Town Accountant.**

For other expenses, such as the cost of legal notices in a newspaper, the Finance Committee will receive an invoice in its mailbox in the Town Building. The Chairman must review and approve these by writing "ok to pay" on it and adding his signature. Invoices are then submitted to the Town Accountant.

### 3.7 Where to Obtain Information

The Finance Committee will often need facts and figures to help in arriving at recommendations and for the reports. The Finance Committee Warrant Report (Attachment B) and the Annual Report (Attachment D) should contain much financial information. Also, at times it is useful to obtain figures from other municipalities to see how Stow compares to similar towns. There may also be a need to consult Massachusetts General Law. Below is list of sources that may be useful.

#### 3.7.1 Legal Information

The Massachusetts General Law (MGL) can be found on the following website:  
<http://www.state.ma.us/legis/laws/mgl/>

Copies of the Town Charter and all bylaws are provided to each member and associate in the “Finance Committee Reference Materials” binder. After receiving approval from the Town Administrator, a Finance Committee member may speak directly with Town Counsel.

### 3.7.2 The Role of Finance Committees in General

This is addressed by the *Finance Committee Handbook* from the

Association of Town Finance Committees (ATFC)  
60 Temple Place  
Boston, MA 02111  
(617) 426-7272

Each member and associate member receives a copy of the Handbook on a CD. This is included in the “Finance Committee Reference Materials” binder.

### 3.7.3 Facts and Figures About Massachusetts Municipalities

A wealth of facts and figures such as, population, property valuations, tax rates, cherry sheets etc. can be found at <http://www.state.ma.us/cc/index.html>.

### 3.7.4 Information About Stow

Information about Stow can be obtained from the following sources

Demographic Information:	Town Clerk
Financial Information:	Town Administrator. However, the following officials maintain this information:
Debt Schedule	Treasurer/Collector
Expenditure Reports	Town Accountant
Free Cash and Stabilization Fund Balances	Treasurer/Collector
Property Valuations	Board of Assessors
Tax Rate and Average Tax Bill	Board of Assessors
Recap Sheet	Board of Assessors

### 3.7.5 Financial Data

The Chairman should maintain a file of the “Budget Reports” prepared by the Town Administrator. These reports contain all of the income and expense data for each fiscal year as voted at each Annual Town Meeting. In addition, the Chairman should always have copies of the latest debt schedules for the town. One of these comes from the Treasurer/Collector, and the other is an adjusted schedule prepared by the Town Administrator.

### 3.8 Some Basic Financial Calculations

It is important that at least some if not all Finance Committee members understand the most important figures and how they are calculated.

#### 3.8.1 Proposition 2½ Levy Limit

Under Proposition 2½<sup>40</sup> there are two restrictions on the amount of revenue that can be raised through property taxes. The *levy ceiling* limits the tax rate to a maximum of 2.5%; that is, no property owner may be required to pay more than 2.5% of the assessed value of his property. The *levy limit*, in simplified terms, limits the annual increase of the total levy to 2.5% of the previous year’s levy limit plus any taxes that can be raised on new growth without an override election. Excluded from this limit are *debt exclusions* (debt service costs for specific items that were specifically excluded from the levy limit in an override election in conjunction with a previous Town Meeting). More details can be found in the *Finance Committee Handbook*.

The Board of Assessors (BOA) calculates the levy limit every year on the recap sheet. Prior to the Annual Town Meeting an estimate for the levy limit for the next fiscal year is needed. To arrive at this it is again best to consult the Board of Assessors. In most cases this will be included in the Town Administrator’s budget proposal. The method of calculating the estimate is as follows:

- a. Take the current levy limit.
- b. Add *amended growth* (difference between previously estimated and actual new growth for the current year).
- c. Multiply this figure by 1.025.
- d. Add an estimate for new growth (additions to the tax base due to new construction, etc.) for the following year (generally use the number provided by the BOA). The resulting figure is the levy limit.

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<sup>40</sup> MGL Ch 59, Section 21C

The *maximum allowable levy* is the maximum amount of property taxes that can be raised in that fiscal year without an override election. It is calculated by adding the costs of previously approved debt exclusions to the levy limit.

The difference between the maximum allowable levy and the levy raised by Town Meeting is known as *unused levy capacity*. It should be noted that the levy limit is always calculated from the previous year's levy limit, not actual levy. In other words, any levy capacity that is not used in one year is not lost. The recap sheet for FY2000 is attached as a sample (see Attachment K).

### 3.8.2 The Proposed Tax Levy

- a. Begin with the total amount that the Finance Committee recommends to appropriate at Town Meeting.
- b. Subtract any amounts that the Finance Committee recommends to *appropriate and transfer* from funds that the town already owns. These could be free cash, revolving funds or funds that have been appropriated by previous Town Meetings for special articles but not expended (see *Finance Committee Handbook* for more details and for definitions of these terms).
- c. Subtract any amounts that the Finance Committee proposes to transfer from the *stabilization fund*. The remaining amount would be what the Finance Committee recommends to be *raised and appropriated* by Town Meeting.
- d. Subtract from this the estimated amounts of
  - i. Local aid from the state. This can be obtained from the *cherry sheet* estimates that are sent to all municipalities in fall and list the estimated amount in state aid provided for the coming fiscal year (for sample see Attachment L). Sometimes the cherry sheets have actually been finalized before Town Meeting, in which case those numbers should be used. Generally an estimate for local aid will be included in the Town Administrator's budget.
  - ii. Other state aid (for example, reimbursement for a school renovation).
  - iii. Local Receipts. These are other income to the town such as auto excise tax.

Estimates of these numbers will generally be included in the Town Administrator's budget proposal.

The resulting amount would have to be funded through property taxes.

### 3.8.3 The Average Single-Family Residential Tax Bill

At every Town Meeting the Stow Finance Committee traditionally provides an estimate of the impact of the proposed tax levy to the average single-family residential tax bill. This is calculated as follows.

- a. Begin with the total proposed property tax levy.
- b. Obtain an estimate for the *total assessment base* from the Board of Assessors. This is the total of the assessed value of all real estate and personal property in Stow that can be taxed. For the current fiscal year this can be read from the recap sheet (see Attachment K, sheet K-2). If the BOA cannot provide a number, then an estimate for next year's assessment base can also be made from the numbers used to calculate the levy limit<sup>41</sup>. Just divide the estimate for new growth used in 3.8.1d by the result of 3.8.1c (previous levy limit plus 2.5%), which results in percent new growth, and multiply this with the current total assessment base.
- c. Calculate the estimated tax rate (per \$1,000 of assessed value) for the upcoming year by dividing the total proposed tax levy from step a by the total assessment base from step b and multiplying the result by 1,000. Note that this will most likely not be the actual new tax rate because of revaluation by the BOA. However, for the purposes of this calculation it will suffice because the relative assessment of most properties will probably not be significantly affected.
- d. Obtain an estimate for the total assessment of single-family residential homes. For the current year this can be read from the recap sheet. It is Property Type 101, Class 1 (see Attachment K, sheet K-2). If the BOA does not provide a different number, then for planning purposes increase last year's figure by the percentage new growth used in 3.8.1d.
- e. Obtain an estimate of the total number of single-family residences for next year. For the current year these can be read from the recap sheet (parcel count for Property Type 101, see Attachment K, sheet K-2.). An estimate for next year can be obtained from the BOA or, failing that, the Planning Board. If no other number is made available, the current number might be increased by the percentage new growth used in b above.
- f. Compute the estimated average single-family residential property valuation by dividing the estimated total assessment of single-family property (step d) by the estimated number of single-family residence (step e). Again, the actual valuation will change with any reassessment, but the calculated number is sufficient for planning purposes. As long as there is not a significant difference in revaluation between single-family residential property and the total of all property, the error will be small.

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<sup>41</sup> Actually this could vary by quite a bit from the actual assessment base after reassessment. However, as long as the relative property values do not vary greatly, this should be sufficient for a "ball park" number in this calculation because the tax rate will simply be accordingly lower.



- g. Compute the estimated tax bill of the average single-family residential property by multiplying the estimated average single-family residential property valuation from step f with the tax rate from step c and dividing the result by 1,000.

An example of such a calculation can be found in Attachment M. Note that the BOA may also provide this information.

#### 3.8.4 The Tax Impact of an Individual Expenditure

Often the Finance Committee is asked how a specific expenditure affects the individual taxpayer, which in Stow is most often taken to mean the impact of that expenditure on the average single-family tax bill. This figure applies directly only to items for which funds are *raised and appropriated* because an item for which funds are appropriated and transferred from other sources will not affect the property tax levy but instead will reduce the town's stored assets such as free cash or other available funds. Nevertheless, determining the impact that such an expenditure would have on taxes if it were funded through taxes can be useful because it places that expenditure in perspective with the others.

Most Town Meeting voters will be interested in the *incremental* cost, that is, the difference in their tax bills if that item is or is not funded. As discussed earlier, funds that are raised and appropriated do not come exclusively from property taxes. However, in most cases it can be assumed that the total amount of state aid and local receipts will not be affected by whether or not a certain item is funded. Thus the incremental cost can generally be allocated entirely to property taxes and thus prorated towards the average single-family tax bill in proportion to the total tax levy.

Here are the steps required to calculate the impact of an expenditure on the average single-family residential tax bill:

- a. Divide the average single-family residential tax bill (from 3.8.3g above) by the total proposed tax levy (from 3.8.2 above). This is the impact to that tax bill of \$1 raised and appropriated.
- b. Multiply this by the proposed expenditure. The result is the incremental cost.

#### 3.9 Using Town Copy Machines

Finance Committee members and associates and the secretary may use the copy machines at the Town Building for material related to the work of the Committee. However, if the Committee decides to actively promote a certain position on a given issue, Town copier cannot be used to print handouts and other material intended to promote the position.

## **Attachment A**

MGL Chapter 39: Section 16. Appropriation, advisory or finance committees; appointment; tenure; powers and duties.

Every town whose valuation for the purpose of apportioning the state tax exceeds one million dollars shall, and any other town may, by by-law provide for the election or the appointment and duties of appropriation, advisory or finance committees, who shall consider any or all municipal questions for the purpose of making reports or recommendations to the town; and such by-laws may provide that committees so appointed or elected may continue in office for terms not exceeding three years from the date of appointment or election.

In every town having a committee appointed under authority of this section, such committee, or the Selectmen if authorized by a by-law of the town, and, in any town not having such a committee, the Selectmen, shall submit a budget at the annual town meeting.

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

**I. INTRODUCTION**

Once again, Town Meeting is approaching, and once again, you will have the chance to participate in deciding what your town will do for you. We hope that this report will help you in this and hope to see you there.

Please take the time to study this warrant so that you will know the issues and be prepared to make informed decisions. To help you do so we highlight the key points that you will be dealing with. We discuss the financial picture and make recommendations for the source of the funding for the proposed expenditures. We explain how each vote will affect your taxes and provide a breakdown of where your tax payments go. Finally we list the issues on which we have not yet taken a position and any differences that we have with the budget proposed by the Selectmen.

Before we get into this, we appeal to you to think about not just what your town can do for you, but what you can do for your town. Just as the rest of the town boards and committees, the Finance Committee can only function if there are volunteers who agree to serve. We are very much in need of associate members and, in the near future, may be seeking voting members as well. Please consider donating some time to help your town. If you like what we are doing, please come and be a part of this. If you do not, please come and let us know how we can better serve you. If you have any interest in joining the Finance Committee, please contact Moderator Ed Newman at 897-7076.

**II. INCOME**

Before we discuss proposed expenditures, we will explain where the funding will come from. All municipalities are restricted to certain sources to fund their expenditures. These are:

- |                            |   |
|----------------------------|---|
| Property Taxes:            | This is by far the largest funding source. Each property owner is required to pay a percentage of the fair market value of his property. The Board of Assessors determines the fair market value.   |
| State Aid:                 | Funds provided by the state to municipalities.  |
| Local Receipts:            | Other fees collected by the town such as auto excise tax.   |
| Transfer from Other Funds: | These are mostly funds that were voted for special articles have not been expended for their original purpose. Town Meeting can then vote to appropriate them for something else.   |
| Free Cash:                 | Free cash is generated when the town does not use all of the funds appropriated to the operating budget or when more revenue is generated than was budgeted (for example through higher than anticipated local receipts). It is good practice to keep a certain amount of free cash on hand. The Association of Town Finance Committees (ATFC) recommends maintaining a free cash balance of 3 to 5% of the total budget to help with cash flow, cover unforeseen expenditures and help stabilize the tax rate. |
| Stabilization Fund:        | This is a "rainy day" fund. Additions to the stabilization fund are appropriated by Town Meeting just like any other expenditure. Appropriating money from the stabilization fund, however, requires a $\frac{2}{3}$ vote.  |

The Finance Committee proposes to fund the recommended FY2001 expenditures as follows:

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

**Table II.1 Revenue Sources**

<u>Funding Source</u>	<u>FY 2000</u>	<u>Proposed FY 2001</u>	<u>% Change</u>
Property Tax	\$9,922,402	\$10,952,239	10.4%
State Aid	\$438,018	\$818,609 <sup>1)</sup>	86.9%
Local Receipts	\$1,056,378	\$1,100,000	4.1%
Transfer From Other Funds	\$174,473	\$12,483	-92.8%
Free Cash	\$360,620	\$0	-100.0%
Stabilization Fund	\$10,800	\$0	-100.0%
Total:	\$11,962,691	\$12,883,331	7.7%

Notes

- 1) Includes \$346,495 in SBAB reimbursement for the Hale school building renovation.

As the biggest revenue source property taxes deserves some additional discussion. The budget recommended by the Finance Committee would result in the following tax structure:

**Table II.2 Property Taxes**

	<u>FY 2000</u>	<u>FY 2001</u>	<u>% Increase</u>
Maximum Allowable Property Tax Levy	\$10,295,255	\$11,009,823	6.9%
Proposed Property Tax Levy	\$9,922,402	\$10,952,239	10.4%
Unused Levy Capacity	\$372,853	\$57,584	-84.6%
Average Single-Family Residential Property Valuation	\$246,690	N/A <sup>1)</sup>	N/A
Average Single-Family Residential Tax Bill	\$4,472.48	\$4,804.76	7.4%

The maximum amount of property taxes that can be raised in FY2001 without an override election, is \$11,009,823. This includes \$921,937 in exempt debt service costs that are not counted towards the Proposition 2½ levy limit. This proposed increase to property taxes leaves only a margin of \$57,584 from the maximum allowable tax levy. This margin is necessary because some of the numbers used in calculating the levy limit such as state aid and growth are estimates and may not be accurate. Even without a Proposition 2½ override the average single-family residential tax bill can expect an increase of 7.4%. This is due to debt exclusions from Proposition 2½ that Town Meeting has approved in previous years, the full impact of which will be felt over the next few years.

Now some words on how this affects your tax bill. When a motion is made to raise and appropriate a sum of money, then the revenue sources for this sum are property tax, state aid and local receipts. Most of the sum (85%) comes from property tax. If you would like to determine how adding or deleting a given expenditure would change your taxes, you can do so by performing the following calculation:

1. Divide your valuation (which is printed on your tax bill) by \$246,690 (the estimated average single-family residential property valuation).
2. Multiply this by \$43.87. The resulting number is the effect on your tax bill due to raising and appropriating \$100,000.
3. Divide this by \$100,000 and multiply by the amount of the expenditure. The resulting figure is the impact to your tax bill.

Next we take a look at the free cash balance. A certain amount of free cash is needed to avoid cash flow problems. Having a sufficient balance of cash on hand also improves the town's bond rating and thus helps reduce borrowing costs. Moreover, free cash is a good source of funding expenditures at Special Town Meetings that occur after the tax rate has been set because in that situation property taxes cannot be

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

increased further. The Association of Town Finance Committees recommends keeping a free cash balance of 3 - 5% of the total budget. In good economic times such as we are currently experiencing, it is good practice to build up savings as a cushion for economic downturns. Our state-certified free cash balance is \$488,253. This represents 4.1% of our FY2000 budget, which puts us well into the range recommended by the ATFC.

Traditionally, when we have had more free cash than we felt we needed, we have used the surplus for the reserve fund and for capital items. This year, however, the Finance Committee recommends that we do not expend any free cash. We feel that in these good economic times we should be building up our savings rather than depleting them

It should also be noted that we currently have \$515,304 in the stabilization fund. This is a rainy day fund that we do not recommend tapping during these good economic times without a well-justified need.

### **III. EXPENDITURES**

After careful review and consultation with the Town Administrator, the Finance Committee recommends the following expenditures:

**Table III.0 Finance Committee Proposed Expenditures**

<u>Expenditure</u>	<u>FY 2000</u>	<u>Proposed FY 2001<sup>1)</sup></u>	<u>% Change<sup>1)</sup></u>	<u>Impact to Average Single-Family Residential Tax Bill<sup>2)</sup></u>
Operating Expenditures (excluding Education)	\$2,891,151	\$3,123,147	8.0%	\$1,370.13
Education Expenditures				
Nashoba	\$6,526,611	\$6,969,338	6.8%	\$3,057.46
Minuteman	\$529,052	\$648,614	22.6%	\$284.55
Total Education	\$7,055,663	\$7,617,952	8.0%	\$3,342.00
Special Articles				
Raise and Appropriate	\$225,306	\$523,485	132.3%	\$229.65
Appropriate and Transfer from				
Free Cash	\$360,620	\$0	-100.0%	N/A
Stabilization Fund	\$10,800	\$0	-100.0%	N/A
Other Funds	\$174,473	\$11,489	-93.4%	N/A
Total Special Articles	\$771,199	\$534,974	-30.6%	\$229.65
Debt Service	\$911,812	\$1,305,232	43.1%	\$572.61
Tax Recap Items	\$332,866	\$302,026	-9.3%	\$132.50
Total	\$11,962,691	\$12,883,331	7.7%	

Notes:

- 1) These numbers are estimates made at the time that the warrant went to print. They may differ from what will be proposed at Town Meeting.
- 2) These numbers are based upon estimated growth of the tax base of 3.0% and represent the amount that the average single-family residential tax bill would be reduced by if that expenditure were not funded. The Board of Assessors will determine the actual assessment at a later date.

We will now examine each of these items in more detail.

#### **1. Operating Expenditures**

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

The operating budget (Article 5), not including education expenditures, consists of those expenditures that occur regularly and are required to run the town and include administration, police, fire and rescue. Most of these expenditures are for the salaries and wages of town employees. The operating budget proposed by the Finance Committee is increasing by 8.0%. This includes a proposed compensation increase for town employees of 3.5% beyond the increases that they receive when moving from one step to the other. They also contain a substantial increase to the Fire and EMS budget of 25.9%. We think that this is a long overdue improvement in public safety and support this.

Because of the many items in the budget, we did not provide a detailed breakdown of the tax impact. However, we estimate that any \$100,000 raised and appropriated will result in a \$43.87 impact to the average single-family residential tax bill.

**2. Education Expenditures**

At 72% of our operating budget and 60% of our total budget, the requested education budget (included in Article 5) would remain by far our largest expenditure. Here the requested increase is 11.15%. The Nashoba Regional School District is requesting a budget of \$25,349,638, an increase of 12%. Stow's proposed assessment would be \$7,193,732, an increase of 10.22%. It should be pointed out that much of this is due to increased mandates by the state that we have no choice but to fund. Nevertheless, we are concerned about the size of this increase and believe that we cannot afford to fund the Nashoba budget in the amount requested. Instead we are recommending an assessment of \$6,969,338, an increase of 6.8%. This will result in a total Nashoba budget of \$24,749,638, an increase of \$2,116,817, or 9.4%. This corresponds to the budget of \$4,630,784 that Lancaster has already voted to fund.

Although Minuteman's total budget request increased by only 1.9%, Stow's contribution to Minuteman Vocational School will again see a steep increase. This reflects the increase in enrollment by Stow residents at Minuteman and will result in a 22.6% increase in our assessment (to \$648,614 ). This is a substantial increase but represents the minimum assessment possible. Under the Minuteman regional agreement, we have no alternative to providing these funds.

**3. Special Articles**

Special articles are used for matters that may not occur regularly and include proposals such as bylaw changes that have no readily quantifiable fiscal impact and capital expenditures that do. The special article expenditures are listed below. We distinguish between special articles for which we will most likely propose to raise and appropriate funds (i.e., fund through taxes) and those for which we would most likely propose to appropriate and transfer funds, from free cash, stabilization fund or other sources.

**3.1 Raise and Appropriate**

The Finance Committee recommends raising and appropriating funds for the following expenditures, which are mostly recurring. The right-most column lists the estimated impact that this expenditure will have on the average single-family residential tax bill.

**Table III.3.1 Special Articles, Raise and Appropriate**

Warrant <u>Article</u>	<u>Description</u>	<u>Purpose</u>	<u>Proposed Expenditure</u>	Impact to Average Single-Family Residential Tax Bill <sup>1)</sup>
6	Reserve Fund	Cover unforeseen expenditures	\$90,000	\$39.48
7-1	Capital Program	Fire Department air packs	\$57,800	\$25.36

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

7-2	Capital Program	Purchase of police cruiser	\$26,000	\$11.41
7-3	Capital Program	Highway Department truck	\$47,000	\$20.62
7-4	Capital Program	Town hall improvements	\$25,000	\$10.97
7-5	Capital Program	Library HVAC	\$39,000	\$17.11
7-6	Capital Program	Center School improvements	\$12,400	\$5.44
7-7	Capital Program	Center School heating system	\$25,000	\$10.97
8	Tax Title Proceedings	Foreclosure for property tax collection	\$6,000	\$2.63
9	Audit of Financial Records	Perform audit of town finances	\$9,500	\$4.17
13	Conservation Fund	Conservation land purchases	\$25,000	\$10.97
14	Update of Property Valuations	Update property valuations to reflect current status	\$37,100	\$16.28
15	Planning Board Engineering/Consulting Services	Professional engineering services to the Planning Board	\$10,000	\$4.39
17	Town Records Binding and Repair	Maintain integrity of town records	\$200	\$0.09
18-1	Board of Health	Emerson Hospital Home Care	\$1,850	\$0.81
18-2	Board of Health	Eliot Community Mental Health Center	\$7,500	\$3.29
19	Legal Services	Legal expenses	\$25,000	\$10.97
20-1	Highway Department	Road machinery expenses	\$26,735	\$11.73
20-2	Highway Department	Repairs of private ways	\$7,100	\$3.11
22	Safe Drinking Water	Compliance with public water regulations	\$4,200	\$1.84
23	Information Technology	Purchase of computers and software	\$22,500	\$9.87
25	Town Hall Improvements	Repairs to town building	\$5,000	\$2.19
26-2	Fire Department	Tone encoder	\$1,000	\$0.44
26-3	Fire Department	Radio repeater	\$5,600	\$2.46
28	Lake Boon Assessment	Water draw-down study	\$5,000	\$2.19
29	Spring Fest	Develop activities for Spring Fest	\$2,000	\$0.88
	Total		\$523,485	\$229.65

Notes

- 1) This represents the amount that the average single-family residential tax bill will be reduced by if the expenditure is not funded.

**3.2 Appropriate and Transfer from Free Cash**

The Finance Committee does not recommend appropriating and transferring any funds from free cash in FY2001.

**3.3 Appropriate and Transfer from Other Funds**

The Finance Committee recommends these expenditures, which come from funds that are set up for the purposes described. However, Town Meeting must give approval before they can be expended. They have no immediate impact on your property tax bill.

**Table III.3.3 Special Articles, Appropriate and Transfer from Other Funds**

<u>Article</u>	<u>Description</u>	<u>Purpose</u>	<u>Proposed Expenditure</u>
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**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

11	Transfer to Conservation Fund	Conservation Commission expenses	\$410
12	Transfer from Wetlands Protection Fund	Compliance with Wetlands Protection Act requirements	\$4,079
24	Cemetery Improvements	Cemetery expenses	\$7,000
	Total		\$11,489

**4. Debt Service**

In addition to the expenditures in the warrant, we will have to service debts that we have incurred in the past and any that we may approve at this Town Meeting. The projected cost of debt service in FY2001, including non-exempt debt but excluding payments for the Nashoba renovation, will be \$1,305,232. This increase of 43.1% will represent 10% of the total FY2001 budget. Even though we will not have an override election, debt exclusions from Proposition 2½ approved by Town Meeting in previous years will result in an increase of 7.4% in FY2001 rather than just 2.5%. The Finance Committee is concerned about this and recommends the utmost scrutiny of any additional request that would result in more debt. For this reason we are not recommending any additional long-term borrowing in FY2001.

The exempt debts listed below are outside of the Proposition 2½ levy limit. If no new debt is incurred during the next 5 years, we project the following exempt debt schedule:

**Table III.3.4 Town of Stow Exempt Debt Schedule**

<u>Purpose</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Town Building	\$120,900	\$115,688	\$110,400	\$105,038	\$99,619	\$94,163
Police Station	\$114,775	\$110,905	\$106,855	\$102,715	\$98,485	\$89,165
Hale	\$410,199	\$440,925	\$437,905	\$281,509	\$278,809	\$280,209
Flagg Hill	\$227,419	\$254,419	\$224,231	\$224,231	\$224,231	\$224,231
Total	\$873,293	\$921,937	\$879,391	\$713,493	\$701,144	\$687,768
Nashoba <sup>1)</sup>	\$27,240	\$171,450	\$342,900	\$420,601	\$420,601	\$314,625
Total incl. Nashoba	\$900,533	\$1,093,388	\$1,222,291	\$1,134,094	\$1,121,745	\$1,002,393

Note:

- 1) Stow's share of the high school renovation debt payments will not appear in Stow's debt but will be added to Nashoba's assessment.

**5. Tax Recap Items**

Although not shown in the warrant, we are required to fund certain expenditures due to existing agreements or state requirements. For FY 2001 we are expecting these to total \$302,026, a reduction of 9.3%. Most of this (\$195,000 ) is for the county retirement fund. The Finance Committee recommends the assessor's allocation of 80,000.00 for potential tax abatements and exemptions.



**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

**IV. DISCREPANCIES AND UNRESOLVED ITEMS**

Article 5            General Budget for FY2001

The Finance Committee has voted to support the Selectmen's' recommendations except as follows

a.            Nashoba Regional School Budget

The Finance Committee recommends an assessment of \$6,969,338. This is an increase of 6.8% over FY2000. This recommendation is supported by the Selectmen but represents a decrease of \$224,394 over the amount requested by the School Committee.

b.            Recreation Commission Expenses

The Finance Committee recommends an amount of \$25,620. This is the amount requested by the Recreation Commission. The Selectmen recommend an amount of \$22,120.

Article 6            Reserve Fund

The Selectmen and the Finance Committee both support an amount of \$90,000. The amount printed in the warrant is \$80,000.

Article 7            Capital Program

The Finance Committee agrees with the recommendations of the Capital Planning Committee (listed in "Recommended" column) except as follows:

7-4           Town Hall Improvements

The Finance Committee recommends funding this in the amount of \$25,000 rather than the requested amount of \$45,000.

7-7           Repairs to Center School Heating System

The Finance Committee recommends that this request be funded in the amount of \$25,000 as requested.

The Finance Committee concurs with the Capital Planning Committee's recommendation not to fund improvements to Pompositticut School, a new telephone system in the Town building, town building expansion, a town hall air conditioning system and construction of a sidewalk. We also agree with the recommendation to fund repairs and improvements to Center School at a lower than requested amount.

We simply cannot afford to fund all of the expenditures requested in the upcoming fiscal year.

Article 18           Board of Health

The Finance Committee recommends funding the requested amounts of \$1,850 for the Emerson Hospital Home Care and \$7,500 for the Eliot Community Mental Health Program. The Selectmen recommend not funding the Eliot Community Mental Health Program.

Article 26           Fire Department

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

The Finance Committee does not recommend funding the purchase of a photocopier. We feel that \$4,000 is excessive and that the purchase of a less costly copier can be deferred to a later year.

Article 27            Recreation Commission

The Finance Committee does not recommend funding the concession stand. We feel that in FY2001 we cannot afford this expenditure.

The Finance Committee

Heinz Bachmann, Chairman  
Edwin Merrick, Vice Chairman  
Patricia Heron, Member  
George Nisotel, Member  
Thomas Ryan, Member  
Carole Makary, Associate Member

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

**FISCAL YEAR 1999**

<b>BUDGET LINE ITEMS</b>	<b>RESERVE FUND TRANSFERS</b>	<b>UNSPENT BALANCES &amp; BUDGET DEFICIT</b>
MODERATOR'S EXPENSES		\$40.00
SELECTMEN'S EXPENSES	\$225.00	\$1.37
FINANCE COMMITTEE WAGES		\$102.50
FINANCE COMMITTEE EXPENSES	\$44.13	\$170.00
RESERVE FUND		\$8,656.99
ACCOUNTANT'S CLERK SALARY		\$850.71
ACCOUNTANT'S EXPENSES		\$67.70
ASSESSORS' CLERICAL WAGES		\$1,001.82
ASSESSORS' EXPENSES		\$9.53
TREAS-COLLECTOR CLERICAL WAGES		\$7,800.99
TREASURER-COLLECTOR EXPENSES	\$300.00	\$5.26
LEGAL SERVICES		\$13,821.57
DATA PROCESSING EXPENSES		\$504.96
TOWN CLERK EXPENSES	\$6,559.42	
CONSERVATION COMMISSION EXPENSES		\$696.57
PLANNING BOARD EXPENSES		\$644.60
ZONING BOARD OF APPEALS EXPENSES		\$727.35
MUNICIPAL BUILDING & PROPERTY EXPENSE	\$13,911.67	
TOWN REPORTS EXPENSES	\$2,520.00	\$10.40
POLICE & DISPATCH WAGES	\$19,500.00	\$442.87
POLICE & DISPATCH EXPENSES	\$1,484.00	\$3,788.56
FIRE AND EMS WAGES		\$4,723.51
FIRE AND EMS EXPENSES	\$18,479.11	\$2,242.93
BUILDING DEPARTMENT CLERICAL WAGES	\$17.24	
BUILDING INSPECTOR EXPENSES		\$116.54
HIGHWAYS & GROUNDS WAGES		\$20,558.16
HIGHWAYS & GROUNDS EXPENSES		\$2,595.04
SNOW AND ICE REMOVAL EXPENSE		(\$19,174.32)
MUNICIPAL LIGHTING		\$1,143.85
ROAD MACHINERY MAINTENANCE		\$27.17
GASOLINE & DIESEL FUEL		\$5,915.39

**Attachment B**  
**FINANCE COMMITTEE REPORT**  
**and Recommendations for the 2000 Annual Town Meeting**

**Fiscal Year 1999 (cont.)**

<b>BUDGET LINE ITEMS</b>	<b>RESERVE FUND TRANSFERS</b>	<b>UNSPENT BALANCES &amp; BUDGET DEFICIT</b>
SOLID WASTE DISPOSAL		\$95,000.00
CEMETERY EXPENSES		\$18.18
HEALTH DEPARTMENT WAGES		\$275.07
HEALTH DEPARTMENT EXPENSES	\$500.00	\$1,739.72
FEDERAL SAFE DRINKING WATER EXP.		\$1,645.47
COUNCIL ON AGING WAGES		\$2,124.54
COUNCIL ON AGING EXPENSES	\$100.00	\$1,577.99
VETERANS' BENEFITS		\$2,000.00
STOW HOUSING AUTHORITY EXPENSE		\$1,500.00
LIBRARY EXPENSES	\$3,841.20	\$44.35
COUNTY DOG TAX EXPENSES-LIBRARY		\$3,713.00
RECREATION WAGES	\$19.24	\$4,254.18
RECREATION EXPENSES		\$3,691.51
LAKE BOON COMMISSION EXPENSES		\$402.02
HISTORICAL COMMISSION EXPENSES		\$108.30
LIGHTING OF THE CLOCK EXPENSES		\$100.00
INT ON LONG-TERM DEBT-BONDS		\$13,984.41
INT LONG-TERM DEBT/NON-EXEMPT		(\$0.19)
INT ON TEMPORARY LOANS		\$1,000.00
MOSQUITO CONTROL PROJECTS		\$313.00
RMV NON-RENEWAL SURCHARGE		(\$1,700.00)
COUNTY RETIREMENT		\$40.00
GROUP INSURANCE		\$31,638.20
INSURANCE & BONDS		\$4,058.00
CENTER SCHOOL IMPROVEMENTS-TURN AROUND	\$3,842.00	
<b>TOTAL TRANSFERS FROM RESERVE FUND</b>	<b>\$71,343.01</b>	
<b>UNSPENT BALANCES RETURNED TO SURPLUS</b>		<b>\$225,019.77</b>

## **Attachment C**

MGL Chapter 40: Section 6. Towns; reserve funds for extraordinary expenditures; establishment.

To provide for extraordinary or unforeseen expenditures, a town may at an annual or special town meeting appropriate or transfer a sum or sums not exceeding in the aggregate five per cent of the levy of the fiscal year preceding the fiscal year for which the fund, to be known as the reserve fund, is established. No direct drafts against this fund shall be made, but transfers from the fund may from time to time be voted by the finance or appropriation committee of the town, in towns having such a committee, and in other towns by the selectmen; and the town accountant in towns having such an official, and in other towns the auditor or board of auditors, shall make such transfers accordingly.

## **Attachment D**

### **FINANCE COMMITTEE ANNUAL REPORT 2001**

Every town in Massachusetts with a property valuation of \$1 million or more is required by state law to have a Finance Committee (sometimes called an advisory or appropriation committee) to “consider any or all municipal questions for the purpose of making reports or recommendations to the town<sup>42</sup>”. The Finance Committee’s primary responsibility is advisory. It closely examines all warrant articles, including the budget, that will be presented to Town Meeting and makes recommendations to the voters on the course of action that the it believes the Town should follow. It also administers the reserve fund, set aside by Town Meeting to provide for urgent or unforeseen expenditures that might arise between town meetings.

In Stow, the Moderator appoints five voting and up to five associate members to the Finance Committee. Any voter registered in Stow is eligible to join. At the end of the year there were five voting members and five associate members.

There were two Town Meetings in calendar year 2001. The first, a Special Town Meeting on Feb.12, had a primary focus on Zoning Bylaw changes related to Wireless Communication Facilities placement. The Bylaw changes adopted at this Special Town Meeting had no immediate and quantifiable financial impact to the Town other than possibly preventing potential legal action by some residents. At the same time the adoption of these Bylaw changes, as well as legal actions relating to the superceded Bylaws, have resulted in legal bills that will most likely cost the Town in excess of \$100,000 before all issues are resolved. In addition to Zoning Bylaw changes, this Special Town Meeting approved spending of approximately \$33,000.

The second Town Meeting was the Annual Town Meeting held in May 2001. Most issues on the warrant involved the finances of the Town for the coming fiscal year (FY ‘02: July 1, 2001 to June 30, 2002). At that meeting there was general agreement among the various Boards regarding the budget. However, both the Selectmen and the Finance Committee recommended a smaller school budget than the one proposed by the Nashoba Regional School District School Committee.

The School Committee requested a budget of \$28,165,436 for FY ‘02. Eliminating the interest expense of \$322,917 left an operations budget of \$27,842,519. This represented an increase of 8.7% over the FY ‘01 operations budget of \$25,619,638. The FY ‘01 budget was in turn an increase of 13.2% over the FY ‘00 budget. During the budget review process, the Finance Committee discovered that the FY ‘01 budget did not include \$450,000 in interest payments that were due in FY ‘01. The Nashoba School District administration eventually found residual funds from which the interest was paid.

The Finance Committee was concerned about several last-minute changes in the budget submission from the School Committee. In addition, independent audits of the District’s finances were overdue. The Finance Committee concluded that it could not evaluate the requested budget and recommended that voters approve a lower amount that was more in line with the expected increase in town revenues.

By a narrow margin, voters approved the original School Committee request. As a result, Stow’s assessment (excluding interest) rose from \$7,025,436 to \$7,717,597: an increase of 9.8%. (From FY ‘01 to FY ‘02, Stow’s student population decreased by 20 students.) Town Meeting

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<sup>43</sup> MGL Ch 39, S 16

## Attachment D

### FINANCE COMMITTEE ANNUAL REPORT 2001

appropriated \$270,500 from the Stabilization Fund for capital projects so that the cost of the school budget could be paid from the tax levy.

Since November 2001, the Finance Committee has been working more closely with the District. The Superintendent has invited representatives of the Finance Committees of all three towns to participate in the budget development process for FY '03. As a result, we have been able to ask questions and provide feedback right along with the School Committee. We believe this approach has been very positive and it will give us a much better understanding of the school budget well in advance of Annual Town Meeting.

Table 1 shows a comparison of town expenditures for FY '01 and '02:

<b>Table 1</b>	Voted: FY 2001	Voted: FY 2002	\$ Change	% Change	% of Total '01	% of Total '02
Town Operations	3,123,147	3,395,832	272,685	8.7%	23.8%	24.2%
Education						
Nashoba	7,193,732	7,835,896	642,164	8.9%	54.9%	55.8%
Minuteman	648,614	615,529	-33,085	-5.1%	4.9%	4.4%
Debt Service	1,305,232	1,246,839	-58,393	-4.5%	10.0%	8.9%
Special Articles	556,638	646,710	90,072	16.2%	4.2%	4.6%
Recap Items	276,963	294,393	17,431	6.3%	2.1%	2.1%
Grand Totals	13,104,325	14,035,199	930,874	7.1%	100.0%	100.0%

Total expenditures increased 7.1% compared to a 9.5% increase in FY 01 vs. FY 00. Looking at Town Operations, General Government expenses rose 11% as a result of wage increases in various departments. Wage increases for the Board of Health and the Council on Aging led to an 11.5% increase for Human Services. Town Wide expenses rose 20% reflecting the impact of the Education Incentive program and higher insurance costs. However, as a whole, non-education expenses rose 6.1% from FY '01 to FY '02.

Debt service was and will continue to be a significant portion of the budget over the next few years. The Finance Committee therefore strongly recommends that we carefully scrutinize all proposals that would further add to the debt load and fund only those that are absolutely necessary.

Table 2 shows a comparison of revenue sources for FY '01 and '02:

## Attachment D

### FINANCE COMMITTEE ANNUAL REPORT 2001

<b>Table 2</b>	Voted: FY 2001	Voted: FY 2002	\$ Change	% Change	% of Total '01	% of Total '02
Property Tax	10,991,106	11,603,852	612,746	5.6%	83.9%	82.7%
State Aid	819,487	859,845	40,358	4.9%	6.3%	6.1%
Local Receipts	1,070,500	1,120,000	49,500	4.6%	8.2%	8.0%
Transfer from Other Funds	15,232	1,003	-14,230	-93.4%	0.1%	0.0%
Free Cash	208,000	180,000	-28,000	-13.5%	1.6%	1.3%
Stabilization Fund	0	270,500	270,500	n/a	0.0%	1.9%
<b>Grand Totals</b>	<b>13,104,325</b>	<b>14,035,199</b>	<b>930,874</b>	<b>7.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 2 shows that our property tax levy, still the major source of revenue for the foreseeable future, increased by 5.6%. In addition, as noted above, we spent \$270,500 from the Stabilization Fund, an account that we believe should be considered as the Town's savings.

Another thing to note is our reliance on local receipts. Local receipts are items such as auto excise tax, investment income, penalties and fines and fees collected by departments such as the library and cemetery. The continued high level of local receipts has undoubtedly been a reflection of the booming economy that we have experienced over the last five years. The economic slowdown now underway will most likely result in reductions, or at least lower growth of local receipts.

The effect of property taxes on your tax bill is shown in Table 3:

<b>Table 3</b>	FY 2001	FY 2002	% Change
Tax Rate (Per \$1000 of Valuation)	16.65	14.70	-11.7%
Average Single Family Assessment	293,531	346,305	18.0%
Average Single Family Tax Bill	4,887	5,091	4.2%
Impact to Average Single Family Tax Bill (Per \$100,000 to be raised)	44.47	43.87	-1.3%

If you would like to know the impact of a given amount raised and appropriated in FY2002 on your tax bill, you can do so by performing the following calculation:

1. Divide your valuation (which is printed on your tax bill) by \$346,305.
2. Multiply this by \$43.87. The resulting number is the effect of a \$100,000 expenditure on your tax bill.
3. Divide this by \$100,000 and multiply by the amount of the expenditure. The resulting figure is the impact of that expenditure to your tax bill.



## Attachment D

### FINANCE COMMITTEE ANNUAL REPORT 2001

During a period of high economic growth it is generally desirable to increase our savings, i.e., free cash and stabilization fund, so that we will have some “rainy day” funds available for when the economy turns down. Table 4 below shows that we have in fact increased our savings leaving us with a healthy balance of 8.7% of our total budget. It should be noted that about \$200,000 of the increase in Free Cash is due to one-time “withdrawal penalties” associated with the “Dawes Property”.

<b>Table 4</b>	FY 2001	FY 2002	\$ Change	% Change
Free Cash*	537,221	756,000	218,779	40.7%
Stabilization Fund*	536,738	459,452	-77,286	-14.4%
Total	1,073,959	1,215,452	141,493	13.2%

\*balances at start of fiscal year

Respectfully submitted,  
Stow Finance Committee

Thomas E. Ryan, Chair  
Steve Dungan, Vice-Chair  
Patti Heron, Carole Makary, Ed Merrick; Members  
Mary Kerr, Tom O'Brien, Jason Robart, David Walrath, Michael Wyand; Associate Members

## **Attachment E**

### **MGL Chapter 39, Section 23A-23C, Open Meetings of Governmental Bodies**

Chapter 39: Section 23A. Definitions applicable to secs. 23B and 23C.

Section 23A. The following terms as used in sections twenty-three B and twenty-three C shall have the following meanings:<sup>a</sup>

"Deliberation", a verbal exchange between a quorum of members of a governmental body attempting to arrive at a decision on any public business within its jurisdiction.

"Emergency", a sudden, generally unexpected occurrence or set of circumstances demanding immediate action.

"Executive session", any meeting of a governmental body which is closed to certain persons for deliberation on certain matters.

"Governmental body", every board, commission, committee or subcommittee of any district, city, region or town, however elected, appointed or otherwise constituted, and the governing board of a local housing, redevelopment or similar authority; provided, however, that this definition shall not include a town meeting.

"Made public", when the records of an executive session have been approved by the members of the respective governmental body attending such session for release to the public and notice of such approval has been entered in the records of such body.

"Meeting", any corporal convening and deliberation of a governmental body for which a quorum is required in order to make a decision at which any public business or public policy matter over which the governmental body has supervision, control, jurisdiction or advisory power is discussed or considered; but shall not include any on-site inspection of any project or program.

"Quorum", a simple majority of a governmental body unless otherwise defined by constitution, charter, rule or law applicable to such governing body.

Chapter 39: Section 23B. Open meetings of governmental bodies.

Section 23B. All meetings of a governmental body shall be open to the public and any person shall be permitted to attend any meeting except as otherwise provided by this section.

No quorum of a governmental body shall meet in private for the purpose of deciding on or deliberating toward a decision on any matter except as provided by this section.

No executive session shall be held until the governmental body has first convened in an open session for which notice has been given, a majority of the members have voted to go into executive session and the vote of each member is recorded on a roll call vote and

## **Attachment E**

### MGL Chapter 39, Section 23a-23c, Open Meetings of Governmental Bodies

entered into the minutes, the presiding officer has cited the purpose for an executive session, and the presiding officer has stated before the executive session if the governmental body will reconvene after the executive session.

Nothing except the limitation contained in this section shall be construed to prevent the governmental body from holding an executive session after an open meeting has been convened and a recorded vote has been taken to hold an executive session. Executive sessions may be held only for the following purposes:

(1) To discuss the reputation, character, physical condition or mental health rather than the professional competence of an individual, provided that the individual involved in such executive session has been notified in writing by the governmental body, at least forty-eight hours prior to the proposed executive session. Notification may be waived upon agreement of the parties. A governmental body shall hold an open meeting if the individual involved requests that the meeting be open. If an executive session is held, such individual shall have the following rights:

(a) to be present at such executive session during discussions or considerations which involve that individual.

(b) to have counsel or a representative of his own choosing present and attending for the purpose of advising said individual and not for the purpose of active participation in said executive session.

(c) to speak in his own behalf.

(2) To consider the discipline or dismissal of, or to hear complaints or charges brought against, a public officer, employee, staff member, or individual, provided that the individual involved in such executive session pursuant to this clause has been notified in writing by the governmental body at least forty-eight hours prior to the proposed executive session. Notification may be waived upon agreement of the parties. A governmental body shall hold an open meeting if the individual involved requests that the meeting be open. If an executive session is held, such individual shall have the following rights:

(a) to be present at such executive session during discussions or considerations which involve that individual.

(b) to have counsel or a representative of his own choosing present and attending for the purpose of advising said individual and not for the purpose of active participation.

(c) to speak in his own behalf.

(3) To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the

## **Attachment E**

### **MGL Chapter 39, Section 23a-23c, Open Meetings of Governmental Bodies**

governmental body, to conduct strategy sessions in preparation for negotiations with nonunion personnel, to conduct collective bargaining sessions or contract negotiations with nonunion personnel.

- (4) To discuss the deployment of security personnel or devices.
- (5) To investigate charges of criminal misconduct or to discuss the filing of criminal complaints.
- (6) To consider the purchase, exchange, lease or value of real property, if such discussions may have a detrimental effect on the negotiating position of the governmental body and a person, firm or corporation.
- (7) To comply with the provisions of any general or special law or federal grant-in-aid requirements.
- (8) To consider and interview applicants for employment by a preliminary screening committee or a subcommittee appointed by a governmental body if an open meeting will have a detrimental effect in obtaining qualified applicants; provided, however, that this clause shall not apply to any meeting, including meetings of a preliminary screening committee or a subcommittee appointed by a governmental body, to consider and interview applicants who have passed a prior preliminary screening.
- (9) To meet or confer with a mediator, as defined in section twenty-three C of chapter two hundred and thirty-three, with respect to any litigation or decision on any public business within its jurisdiction involving another party, group or body, provided that: (a) any decision to participate in mediation shall be made in open meeting session and the parties, issues involved and purpose of the mediation shall be disclosed; and (b) no action shall be taken by any governmental body with respect to those issues which are the subject of the mediation without deliberation and approval for such action at an open meeting after such notice as may be required in this section.

This section shall not apply to any chance meeting, or a social meeting at which matters relating to official business are discussed so long as no final agreement is reached. No chance meeting or social meeting shall be used in circumvention of the spirit or requirements of this section to discuss or act upon a matter over which the governmental body has supervision, control, jurisdiction or advisory power.

Except in an emergency, a notice of every meeting of any governmental body shall be filed with the clerk of the city or town in which the body acts, and the notice or a copy thereof shall, at least forty-eight hours, including Saturdays but not Sundays and legal holidays, prior to such meeting, be publicly posted in the office of such clerk or on the principal official bulletin board of such city or town. The secretary of a regional school district committee shall be considered to be its clerk and he shall file the notice of meetings of the committee with the clerk of each city or town within such district and

## **Attachment E**

### **MGL Chapter 39, Section 23a-23c, Open Meetings of Governmental Bodies**

each such clerk shall post the notice in his office or on the principal official bulletin board of the city or town and such secretary shall post such notice in his office or on the principal official bulletin board of the district. If the meeting shall be of a regional or district governmental body, the officer calling the meeting shall file the notice thereof with the clerk of each city and town within such region or district, and each such clerk shall post the notice in his office or on the principal official bulletin board of the city or town. The notice shall be printed in easily readable type and shall contain the date, time and place of such meeting. Such filing and posting shall be the responsibility of the officer calling such meeting.

A governmental body shall maintain accurate records of its meetings, setting forth the date, time, place, members present or absent and action taken at each meeting, including executive sessions. The records of each meeting shall become a public record and be available to the public; provided, however, that the records of any executive session may remain secret as long as publication may defeat the lawful purposes of the executive session, but no longer. All votes taken in executive sessions shall be recorded roll call votes and shall become a part of the record of said executive sessions. No votes taken in open session shall be by secret ballot.

A meeting of a governmental body may be recorded by any person in attendance by means of a tape recorder or any other means of sonic reproduction or by means of videotape equipment fixed in one or more designated locations determined by the governmental body except when a meeting is held in executive session; provided, that in such recording there is no active interference with the conduct of the meeting.

Upon qualification for office following an appointment or election to a governmental body, as defined in this section, the city or town clerk with a copy of this section shall furnish the member. Each such member shall sign a written acknowledgement that he has been provided with such a copy.

The district attorney of the county in which the violation occurred shall enforce the provisions of this section.

Upon proof of failure by any governmental body or by any member or officer thereof to carry out any of the provisions for public notice or meetings, for holding open meetings, or for maintaining public records thereof, any justice of the supreme judicial court or the superior court sitting within and for the county in which such governmental body acts shall issue an appropriate order requiring such governmental body or member or officer thereof to carry out such provisions at future meetings. Such order may be sought by complaint of three or more registered voters, by the attorney general, or by the district attorney of the county in which the city or town is located. The order of notice on the complaint shall be returnable no later than ten days after the filing thereof and the complaint shall be heard and determined on the return day or on such day thereafter as the court shall fix, having regard to the speediest possible determination of the cause consistent with the rights of the parties; provided, however, that orders with respect to

## **Attachment E**

### **MGL Chapter 39, Section 23a-23c, Open Meetings of Governmental Bodies**

any of the matters referred to in this section may be issued at any time on or after the filing of the complaint without notice when such order is necessary to fulfill the purposes of this section. In the hearing of such complaints the burden shall be on the respondent to show by a preponderance of the evidence that the action complained of in such complaint was in accordance with and authorized by section eleven A ½ of chapter thirty A, by section nine G of chapter thirty-four or by this section. All processes may be issued from the clerk's office in the county in which the action is brought and, except as aforesaid, shall be returnable as the court orders.

Such order may invalidate any action taken at any meeting at which any provision of this section has been violated, provided that such complaint is filed within twenty-one days of the date when such action is made public.

Any such order may also, when appropriate, require the records of any such meeting to be made public, unless it shall have been determined by such justice that the maintenance of secrecy with respect to such records is authorized. The remedy created hereby is not exclusive, but shall be in addition to every other available remedy. Such order may also include reinstatement without loss of compensation, seniority, tenure or other benefits for any employee discharged at a meeting or hearing held in violation of the provisions of this section.

Such order may also include a civil fine against the governmental body in an amount no greater than one thousand dollars for each meeting held in violation of this section.

The rights of an individual set forth in this section relative to his appearance before a meeting in an executive or open session, are in addition to the rights that an individual may have from any other source, including, but not limited to, rights under any laws or collective bargaining agreements, and the exercise or nonexercise of the individual rights under this section shall not be construed as a waiver of any rights of the individual.

Chapter 39: Section 23C. Regulation of participation by public in open meetings.

Section 23C. No person shall address a public meeting of a governmental body without permission of the presiding officer at such meeting, and all persons shall, at the request of such presiding officer, be silent. If, after warning from the presiding officer, a person persists in disorderly behavior, said officer may order him to withdraw from the meeting, and, if he does not withdraw, may order a constable or any other person to remove him and confine him in some convenient place until the meeting is adjourned.

**Attachment F      Finance Committee Budget Request for FY 2004**

**FISCAL 2004 BUDGET REQUEST FORM**

DEPARTMENT: Finance Committee

Rev Date: 12/4/02

## SUMMARY

Part Number	Description	FY 2001 Budget	FY 2002 Budget	% Change	FY 2003 Budget	% Change	FY 2004 Request	% Change
	S11111113rY							
Part 1	Salaries	2,652.00	2,745.00	3.51%	2,841.75	3.52%	2,713.50	-4.51 %
Part 2	Expenses	750.00	820.00	9.33%	820.00	0.00%	495.00	-39.63%
	Sub-Total	3,402.00	3,565.00	4.79%	3,661.75	2.71%	3,208.50	-12.38%
Part 3	Special Art - Recurring	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
Part 3	Special Art - Non-Recurring	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
Part 4	Capital Projects	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
Part 5	Revolving Accounts	#####R	#####	#####	#####	#####	#####	#####
Totals		3,402.00	3,565.00	4.79%	3,661.75	2.71%	3,208.50	-12.38%

## #GENERAL NOTES AND JUSTIFICATIONS

[illegible]



## Rev Date: 12/4/02

Detail Line Number	Fiscal Year 2001				Fiscal Year 2002				Fiscal Year 2003			Fiscal Year 2004					
Position Title	# Hours	Rate	Approp	Expended	# Hours	Rate	Approp	Expended	# Hours	Rate	Approp	Step Increase	# Hours	Rate	Yearly Salary	% Over 2002	% Over 2000
Secretary	225.00	11.79	2,652.00	601.16	225.00	12.20	2,745.00	748.09	225.00	12.63	2,841.75		225.00	12.06	2,713.50	-4.51%	2.32%
															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
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															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
															0.00	0.00%	0.00%
TOTALS:			2,652.00	601.16			2,745.00	748.09			2,841.75				2,713.50	-4.51%	2.32%
Notes and Justification																	
FY 2002-2004	Secretary hired at 10.39 on 1/30/02 (min. step). 3.5% increase on 7/1/02 to 10.75. Move to step 1 on 1/30/03 at 11.71. 3% increase 7/1/03 to 12.06.																

## F-3

**PART 2 -EXPENSE HISTORY AND BUDGET REQUEST**

Detail Line Number	Fiscal Year 2001			Fiscal Year 2002			Fiscal Year 2003		FY 2004	%	%
	Approp	Reserve Fund	Expended	Approp	Reserve Fund	Expended	Approp	Reserve Fund	Budget Request	Over 2003	Over 2002
Utilities - Heating										0.00%	0.00%
Utilities - Electric										0.00%	0.00%
Repairs & Maintenance - Equipment										0.00%	0.00%
Repairs & Maintenance - Building										0.00%	0.00%
Repairs & Maintenance - Vehicles										0.00%	0.00%
Repairs & Maintenance - Streets										0.00%	0.00%
Rental/Lease - Equipment										0.00%	0.00%
Laboratory/Water Analysis Expense										0.00%	0.00%
Advertising	255.00		71.80	350.00		66.90	350.00		100.00	-71.43%	-60.78%
Printing										0.00%	0.00%
Payroll and Banking Services										0.00%	0.00%
Postage	60.00		0.00	60.00			60.00		0.00	-100.00%	-100.00%
Telephone										0.00%	0.00%
Maintenance Contracts - Equipment										0.00%	0.00%
Maintenance Contracts-Computer/Software										0.00%	0.00%
Supplies - Building										0.00%	0.00%
Supplies - Office and Computer	20.00		68.96							0.00%	-100.00%
Supplies - Copier										0.00%	0.00%
Supplies - Crime Scene										0.00%	0.00%
Supplies - Medical										0.00%	0.00%
Supplies - Other										0.00%	0.00%
Books - Purchase										0.00%	0.00%
Library Materials - Other										0.00%	0.00%
Municipal Grounds Expense										0.00%	0.00%
Uniforms and Clothing Allowance										0.00%	0.00%
Travel and Meeting Expenses	175.00		70.00	175.00		94.00	175.00		175.00	0.00%	0.00%
Membership Dues and Subscriptions	135.00		135.00	135.00		135.00	135.00		145.00	7.41%	7.41%
Professional Development										0.00%	0.00%
Professional Development - Training;										0.00%	0.00%
Forest Management Expenses										0.00%	0.00%
Health and Safety Expenses										0.00%	0.00%
Opening of Graves and Burials										0.00%	0.00%
Meals on Wheels Expenses										0.00%	0.00%
Minuteman Home Care Expenses										0.00%	0.00%
CO A Health Expenses										0.00%	0.00%
<b>EXPENSE HISTORY AND BUDGET</b>											

REQUEST – CONT'D											
Drop ill-Center Expenses										0.00%	0.00%
Purchase of Equipment										0.00%	0.00%
Purchase of Furniture and Fixtures	105.00		0.00							0.00%	-100.00%
Purchase of Computer Hardware										0.00%	0.00%
Purchase of Computer Software										0.00%	0.00%
Other Expenses				100.00			100.00		75.00	-25.00%	100.00%
										0.00%	0.00%
TOTALS:	750.00	0.00	345.76	820.00	0.00	295.90	820.00	0.00	495.00	-39.63%	-34.00%

Total Salary and Expenses

FY2001    3402        FY2002    3565        FY2003    3661.75    FY2004    3208.50

## Attachment G

### Finance Committee Schedule, Winter/Spring 2000

#### Budget Review Dates

08-Jan-2000

<u>Budget</u>	<u>Date</u> <u>Received</u>	<u>Principal</u> <u>Reviewer</u>	<u>Review</u> <u>Date</u>	<u>Review</u> <u>Time</u>	<u>Review</u> <u>Time</u> <u>(minutes)</u>
Assessor	11-Jan-00	Tom	22-Feb-00	7:45 PM	15
Board of Health	11-Jan-00	Ed	22-Feb-00	8:00 PM	15
Building Inspector	11-Jan-00	Ed	28-Mar-00	8:00 PM	10
Cemetery Committee	11-Jan-00	Ed	28-Mar-00	9:05 PM	5
Community Paths	11-Jan-00	Heinz	28-Mar-00	9:20 PM	30
Conservation Commission	11-Jan-00	Carole	22-Feb-00	9:35 PM	10
Council on Aging		Patti	14-Mar-00	7:45 PM	15
Fire/EMS	11-Jan-00	Patti	14-Mar-00	8:10 PM	30
Highways and Grounds	11-Jan-00	Tom	14-Mar-00	8:40 PM	15
Historical Commission	11-Jan-00	Carole	22-Feb-00	8:20 PM	5
Lake Boon Commission		George	22-Feb-00	9:15 PM	5
Library	11-Jan-00	Carole	28-Mar-00	7:45 PM	15
Minuteman	11-Jan-00	Ed	28-Mar-00	8:45 PM	20
Municipal Building	11-Jan-00	Ed	28-Mar-00	8:10 PM	5
Municipal Lighting	11-Jan-00	George	28-Mar-00	8:15 PM	5
Nashoba Regional School		Carole	11-Apr-00	7:45 PM	60
Planning Board	11-Jan-00	Patti	22-Feb-00	9:20 PM	15
Police	11-Jan-00	Patti	04-Apr-00	8:30 PM	20
Recreation Commission	11-Jan-00	Carole	14-Mar-00	9:15 PM	30
Selectmen	11-Jan-00	Heinz	28-Mar-00	8:20 PM	5
Town Accountant	11-Jan-00	Tom	22-Feb-00	8:15 PM	5
Town Administrator		Heinz	28-Mar-00	8:35 PM	10
Town Clerk	11-Jan-00	Patti	22-Feb-00	8:25 PM	10
Town Reports	11-Jan-00	Patti	28-Mar-00	8:25 PM	5
Treasurer/Collector	11-Jan-00	Tom	28-Mar-00	9:10 PM	10
Veterans Dept.		George	14-Mar-00	8:00 PM	10
Zoning Board of Appeals	11-Jan-00	George	28-Mar-00	8:30 PM	5

## Attachment G

### Finance Committee Schedule, Winter/Spring 2000

<u>Date</u>	<u>Event</u>	<u>Agenda/Comments</u>	<u>Time Allotted (minutes)</u>	<u>Time</u>
01-Feb-00	Submit Finance Committee Report (Special Town Meeting)			
08-Feb-00	FinCom Meeting	Vote Articles for Special TM Fire Dept Reorg Fire Dept Pumper Truck Zoning Map Amendment (Art 10 & 12) Preparation for STM		
10-Feb-00	Pre-Town Meeting	7:30, Hale Test Presentations		
16-Feb-00	Special Town Meeting			
22-Feb-00	FinCom Meeting	Budget Reviews for		
		Assessor	15	7:45 PM
		Board of Health	15	8:00 PM
		Town Accountant	5	8:15 PM
		Historical Commission	5	8:20 PM
		Town Clerk	10	8:25 PM
		Lake Boon Commission	5	9:15 PM
		Planning Board	15	9:20 PM
		Conservation Commission	10	9:35 PM
07-Mar-00	Warrant Closes			
14-Mar-00	FinCom Meeting	Budget Reviews for		
		Council on Aging	15	7:45 PM
		Veterans Dept.	10	8:00 PM
		Fire/EMS	30	8:10 PM
		Highways and Grounds	15	8:40 PM
		Recreation Commission	30	9:15 PM
28-Mar-00	Town Administrator's Budget			

## Attachment G

### Finance Committee Schedule, Winter/Spring 2000

<u>Date</u>	<u>Event</u>	<u>Agenda/Comments</u>	<u>Time Allotted (minutes)</u>	<u>Time</u>
28-Mar-00	FinCom Meeting	Budget Reviews for Library	15	7:45 PM
		Building Inspector	10	8:00 PM
		Municipal Building	5	8:10 PM
		Municipal Lighting	5	8:15 PM
		Selectmen	5	8:20 PM
		Town Reports	5	8:25 PM
		Zoning Board of Appeals	5	8:30 PM
		Town Administrator	10	8:35 PM
		Minuteman	20	8:45 PM
		Cemetery Committee	5	9:05 PM
		Treasurer/Collector	10	9:10 PM
		Community Paths	30	9:20 PM
		Discussion of Differences with TA Budget (Joint Meeting with Selectmen?)		
04-Apr-00	Public Hearing FinCom Meeting	Discussion of Articles Police	20	8:30 PM
		Vote Rec's, Assign Presenters		
11-Apr-00	FinCom Meeting	Budget Reviews for Nashoba Regional School	60	7:45 PM
		Vote Rec's, Assign Presenters		
13-Apr-00	FinCom Meeting	Vote Rec's, Assign Presenters		
14-Apr-00	Finance Committee Report for TM			
17-Apr-00	FinCom Meeting (if needed)	Vote Rec's, Assign Presenters		
18-Apr-00	Submit Recommendations			
25-Apr-00	FinCom Meeting	Vote Rec's, Assign Presenters Preparation for TM		
09-May-00	FinCom Meeting	Final Preparation for TM		
tbd	Pre-Town Meeting			
8-May-00	File Report with Town Clerk			
15-May-00	Town Meeting			
23-May-00	Election			

## **Attachment H**

### **Memo with Budget Review Schedule**

#### **STOW FINANCE COMMITTEE**

To: All Departments  
Nashoba Regional School District  
Minuteman Vocational School

Date: 13 February 2000

Subject: Budget Review

Please find below the proposed the budget review schedule for all town budgets and for the education budget, showing the date, approximate time and the amount of time allotted. If you cannot meet the scheduled date or believe that you will require more than the allotted time, please contact Barbara LeBlanc at 562-3038 or myself at 897-0397 as soon as possible to reschedule.

Best Regards,

Heinz Bachmann  
Chairman

## Attachment H

### Memo with Budget Review Schedule

<b>FY2000 Budget Review Schedule</b>			
<b>Budgets</b>	<b>Review Date</b>	<b>Review Time</b>	<b>Allotted Time (minutes)</b>
Assessor	22-Feb-00	7:45 PM	15
Board of Health	22-Feb-00	8:00 PM	15
Building Inspector	28-Mar-00	8:00 PM	10
Cemetery Committee	28-Mar-00	9:05 PM	5
Community Paths	22-Feb-00	8:45 PM	30
Conservation Commission	22-Feb-00	9:35 PM	10
Council on Aging	14-Mar-00	7:45 PM	15
Fire/EMS	14-Mar-00	8:10 PM	30
Highways and Grounds	14-Mar-00	8:40 PM	15
Historical Commission	22-Feb-00	8:20 PM	5
Lake Boon Commission	22-Feb-00	9:15 PM	5
Library	28-Mar-00	7:45 PM	15
Minuteman	28-Mar-00	8:45 PM	20
Municipal Building	28-Mar-00	8:10 PM	5
Municipal Lighting	28-Mar-00	8:15 PM	5
Nashoba Regional School	11-Apr-00	7:45 PM	60
Planning Board	22-Feb-00	9:20 PM	15
Police	14-Mar-00	8:55 PM	20
Recreation Commission	14-Mar-00	9:15 PM	30
Selectmen	28-Mar-00	8:20 PM	5
Town Accountant	22-Feb-00	8:15 PM	5
Town Administrator	28-Mar-00	8:35 PM	10
Town Clerk	22-Feb-00	8:25 PM	10
Town Reports	28-Mar-00	8:25 PM	5
Treasurer/Collector	22-Feb-00	8:35 PM	10
Veterans Dept.	14-Mar-00	8:00 PM	10
Zoning Board of Appeals	28-Mar-00	8:30 PM	5



## **Attachment I**

### **Legal Notice for Public Hearing on FY2001 Budget**

#### **Notice of a Public Hearing**

The Stow Finance Committee will hold a public hearing for the purpose of public input on the proposed town budget for Fiscal 2001. A copy of the proposed budget will be available for review at the office of the Town Clerk.

The Public Hearing is scheduled for:

**Tuesday, April 4, 2000  
7:00 p.m. – 8:00 p.m.  
Whitney Room, Stow Town Building**

Heinz Bachmann, Chairman  
Stow Finance Committee

## **Attachment J**

### **MGL Chapter 71, Section 16B, Public School Budgets, Apportionment of Expenses**

#### **CHAPTER 71. PUBLIC SCHOOLS.**

##### **Chapter 71: Section 16B. Budgets; apportionment of expenses.**

Section 16B. The regional district school committee, by a two-thirds vote of all its members, shall annually determine the amounts necessary to be raised, after deducting the amount of aid such district is to receive pursuant to section sixteen D, to maintain and operate the district school or schools during the next fiscal year, and amounts required for payment of debt and interest incurred by the district which will be due in the said year, and shall apportion the amount so determined among the several municipalities in accordance with the terms of the regional school district agreement. The amounts so apportioned for each municipality shall be certified by the regional school district treasurer to the treasurers of the several municipalities within thirty days from the date on which the annual budget is adopted by a two-thirds vote of the regional district school committee, but not later than April thirtieth. The regional school district treasurer shall include in the certification to each municipality a statement setting forth the amount which the district is to receive under said section sixteen D for the ensuing fiscal year and the proportionate share of such aid for such municipality, the amount, if any, by which the unencumbered amount in the excess and deficiency fund, so called, of the regional school district at the end of the preceding fiscal year, as certified by the commissioner of revenue pursuant to section sixteen B  $\frac{1}{2}$ , exceeded five per cent of the regional school district's operating budget and its budgeted capital costs for the current fiscal year, and the proportionate share of any such excess in said fund by which such municipality's assessment for the current fiscal year was reduced.

The regional school district treasurer shall provide a copy of the adopted budget to the chairmen of the boards of selectmen, chairmen of the finance committees, mayors, presidents of the city councils and the treasurers of the several municipalities.

Notwithstanding any provision of law to the contrary, the superintendent of schools of a regional school district may, on matters relating to the regional school budget, address the membership at a city council meeting, a town meeting or a meeting of the town council in a municipality having a town council form of government in cities and towns within the regional school district when the regional school budget is being considered.

The members of a regional school district, including a vocational regional school district, may elect to reallocate the sum of their required local contributions to the district in accordance with the regional agreement; provided, however, that the total sum of their required contributions shall not be decreased. Election shall be by approval of all members of the district. Approval of each member shall be given by majority vote at an annual or special town meeting, in the case of towns, or by majority vote of the council, in the case of cities. The commissioner of education shall be notified upon the adoption of this section by this district. Nothing in this section shall be construed to affect the calculation of the members' required local contributions for any succeeding year as provided by chapter seventy of the General Laws.

## **Attachment J**

### **MGL Chapter 71, Section 16B, Public School Budgets, Apportionment of Expenses**

The annual regional school district budget as adopted by a two-thirds vote of the regional school district committee shall require the approval of two-thirds of the local appropriating authorities of the member municipalities. The regional school district budget so approved shall be apportioned between or among the member municipalities and paid in accordance with the terms of the agreement.

In the event that the regional school district budget in a regional school district is not approved by at least two-thirds of the member municipalities as required by this section, the regional school district committee shall have thirty days to reconsider, amend and resubmit a budget on the basis of the issues raised. The amounts required to be raised on account of the regional school district budget shall be reapportioned between or among the member municipalities by the regional school district committee and a copy of the amended budget shall be provided, not later than seven days from the date the amended regional school district budget was adopted by the regional school district committee, to the chairmen of the boards of selectmen, chairmen of the finance committees, mayors, presidents of the city councils and treasurers of the member municipalities. With the approval of the commissioner of education, a regional school district committee may have an additional fifteen days within which to reconsider, amend and reapportion said budget. The respective amounts reapportioned between or among the member municipalities by the regional school district committee shall be recertified by the district treasurer to the treasurers of the member municipalities not later than seven days from the date the amended regional school district budget was adopted by the regional school district committee. Prior to the expiration of forty-five days from the date on which such budget was adopted by the regional school district committee, each member municipality shall hold a meeting of the local appropriating authority to act upon the appropriation of the budget so reapportioned and recertified to it. If the appropriating authorities of at least two-thirds of the member municipalities vote to appropriate the amounts so reapportioned and recertified to them, such budget shall be considered approved and shall be apportioned between or among the member municipalities and paid by them in accordance with the terms of the regional school district agreement. In the case of a regional school district having three or more members, if the appropriating authorities of more than one-third of the member municipalities vote not to appropriate the amounts so reapportioned and recertified to them, then the budget shall again be recommitted to the regional school district committee for action pursuant to this paragraph. In the case of a two-member regional school district, if the appropriating authority of either member municipality votes not to appropriate the amount so reapportioned and recertified to it, the provisions of the following paragraph shall apply.

The regional school district committee shall convene a special district-wide meeting open to all registered voters in both municipalities at which the amended regional school district budget, proposed by the regional school district committee, shall be considered. Such meeting shall be called pursuant to a warrant, under the hands of at least a majority of the regional school district committee, notice of which shall be given at least fourteen days prior to the date of such meeting. The warrant shall state the time, place and purpose

## **Attachment J**

### **MGL Chapter 71, Section 16B, Public School Budgets, Apportionment of Expenses**

of the meeting and shall be directed to the district secretary, who shall give notice by posting a copy in the city or town clerk's office and at least two other public places in each member municipality and who shall further provide notice by publishing a copy of said warrant in at least one newspaper in general circulation within the member municipalities. The boards of selectmen of the member municipalities in a joint meeting shall, by a majority vote of those present, appoint a town moderator or any other person acceptable to the boards of selectmen to act as moderator and the district secretary shall keep the record of such meeting. Approval of the regional school district budget shall require the affirmative vote of at least a majority of those present and voting thereon, by a counted vote. The regional school district budget so approved shall be apportioned between the member municipalities and paid by them in accordance with the terms of the regional school district agreement. If, after submission of the budget, no agreement is reached as to a budget for the regional school district, the district shall notify the Department of Education of a lack of a budget and the commissioner, or his designee, shall certify an amount sufficient for the operation of the district and order the appropriation thereof in an amount not less than  $\frac{1}{12}$  of the total budget approved by the region in the most recent fiscal year. Similar sums shall be certified and appropriated for each successive month to insure the continued provision of services by the district until such time as a budget is adopted and approved by the regional committee and member towns in the manner otherwise provided herein. In the event a budget is not adopted by December first in any year, the department shall assume operation of the district and funds for same shall be deducted from local aid distributed to member towns.

A member municipality of a regional school district having three or more members need not hold a meeting of its local appropriating authority to act upon the appropriation of amounts reapportioned and recertified to it if it has previously voted to appropriate for the regional school district an amount equal to or greater than the amount so recertified to it, notwithstanding the provisions of the fifth paragraph of this section. A municipality that does not hold such a meeting prior to expiration of forty-five days from the date on which an amended budget was adopted by the regional school district committee shall be deemed to have voted to appropriate the amounts reapportioned and recertified to it.

At any time after the adoption of the annual budget, the regional district school committee may reduce the amount to be raised by assessment to the several municipalities and reapportion the reduced amount in accordance with the terms of the regional school district agreement for apportionment of costs. The regional school district treasurer shall recertify the amounts reapportioned to the treasurers of the several municipalities within thirty days from the date on which the regional district school committee votes to reduce the annual budget or assessments. If the recertification is made after the annual town meeting of a member town, the amount recertified shall be considered an amendment to the amount required to have been appropriated at that meeting without the necessity for further action by the town, and, if the annual assessment of taxes has not been made, the municipal assessors shall include only the amount so recertified in making the annual assessment of taxes under the provisions of section twenty-three of chapter fifty-nine.

## **Attachment J**

### **MGL Chapter 71, Section 16B, Public School Budgets, Apportionment of Expenses**

For the purposes of this section, a vote or votes by a local appropriating authority to appropriate the municipality's apportioned share of the regional school district budget shall constitute approval of the annual regional school district budget; provided, however, that any municipality's apportioned share may not be increased in the same fiscal year without approval of the local appropriating authority.

The clerk of each member municipality shall, within seven days following a vote concerning a regional school district budget or apportionment, certify in writing to the treasurer of the regional school district the results of such vote by the municipality.

This section shall apply to all regional school districts established under the provisions of a special law, notwithstanding any contrary provisions in any such special law.

**Attachment K    FY2000 Recap Sheet**

DIVISION OF LOCAL SERVICES  
ASSESSMENT/CLASSIFICATION REPORT FY2000

**STOW**  
City/Town/District

as of January 1, 1999

PROPERTY TYPE	ACCT/ PARCEL COUNT	CLASS 1 Residential Assessed Value	CLASS 2 Open Space Assessed Value	CLASS 3 Commercial Assessed Value	CLASS 4 Industrial Assessed Value	CLASS 5 Personal Property Assessed Value
101	1,826	450,455,055				
102						
Misc 103.109	20	7,213,860				
104	46	14,201,300				
105	5	1,096,500				
111-125	5	3,611,340				
130-32. 106	261	16,141,065				
200-231	0		0			
300-393	45			22,993,490		
400-452	15				15,656,940	
CH 61 Land	30			186,598		
CH 61A Land	55			335,690		
CH 61B Land	33			3,411,096		
012-043	10	1,683,199	0	1,919,941	0	
501	68					1,216,873
502	29					4,494,653
503	0					0
504.550-2	1					818,410
505	3					1,855,900
506	0					0
<b>TOTALS</b>	<b>2,452</b>	<b>494,402,319</b>	<b>0</b>	<b>28,846,815</b>	<b>15,656,940</b>	<b>8,385,836</b>
<b>REAL AND PERSONAL PROPERTY TOTAL VALUE</b>						<b>547,291,910</b>
<b>EXEMPT VALUE</b>						<b>43,705,280</b>

Submitted by: Board of Assessors

*Robert R. Billups*

*Robert E. Casady*

*John E. Smith*

*11/15/99*

Date

LA-4 (5/98)

TAX BASE LEVY GROWTH FY2000 - LA13

PROPERTY CLASS	REVAL %	+ or - REVAL ADJUSTMENT VALUES	[F] TOTAL ADJUSTED VALUE BASE	[H] FY2000 PROPOSED VALUES	[I] NEW GROWTH VALUATION	[J] PRIOR YEAR TAX RATE	[K] TAX LEVY GROWTH
<b>RESIDENTIAL:</b>							
Single Family (101)	7.5720%	30,717,593	436,383,208	450,455,055	14,071,847		
Condominium (102)			0	0	0		
Two & Three Family (104 & 105)	18.9530%	2,437,400	15,297,800	15,297,800	0		
Multifamily (111 - 125)	11.8640%	380,220	3,585,020	3,611,340	26,320		
Vacant Land (130 - 132 & 108)	5.2120%	701,600	15,373,733	10,141,065	767,332		
All Others (103, 109, 012-018)	3.3090%	279,764	8,734,859	8,897,059	182,200		
<b>TOTAL RESIDENTIAL</b>	<b>7.7740%</b>	<b>34,576,577</b>	<b>479,374,620</b>	<b>494,402,319</b>	<b>15,027,699</b>	<b>\$ 18.70</b>	<b>\$281,018</b>
<b>OPEN SPACE</b>			0	0	0	<b>\$ -</b>	<b>\$0</b>
Commercial	3.8320%	901,950	24,440,801	24,913,431	472,570		
Chapter 61, 61A, 61B	1.5760%	59,884	3,659,292	3,933,384	74,082		
<b>TOTAL COMMERCIAL</b>	<b>3.6180%</b>	<b>961,834</b>	<b>28,300,153</b>	<b>28,846,815</b>	<b>546,652</b>	<b>\$ 18.70</b>	<b>\$10,223</b>
<b>INDUSTRIAL</b>	<b>-1.3870%</b>	<b>(220,010)</b>	<b>15,639,190</b>	<b>15,658,840</b>	<b>17,750</b>	<b>\$ 18.70</b>	<b>\$332</b>
<b>PERSONAL PROPERTY</b>				<b>8,385,838</b>	<b>590,755</b>	<b>\$ 18.70</b>	<b>\$11,197</b>
<b>TOTAL REAL &amp; PERSONAL</b>				<b>547,291,910</b>	<b>16,190,869</b>		<b>\$302,770</b>

*Robert R. B. Phillips*

LA-13 (1997)

*Robert C. Peabody*

Assessors Signature

*John C. Phillips*

11/15/99  
Date



CERTIFICATION OF APPROPRIATIONS AND SOURCES OF FUNDING

978-897-4515  
Tel. Nm.

	(a) Actual Receipts Fiscal 1999	(b) Estimated ** Receipts Fiscal 2000
→ 1. Motor vehicle excise	\$ 627,813.88	\$ 627,000.00
→ 2. Other excise	5,140.01	4,000.00
→ 3. Penalties and interest on taxes and excises	27,706.32	25,000.00
→ 4. Payments in lieu of taxes and excises	1,757.05	0.00
5. Charges for Services - water		
6. Charges for Services - sewer		
7. Charges for Services - hospital		
8. Charges for Services - trash disposal		
9. Other charges for services		
10. Fees	99,219.65	95,000.00
11. Rentals	585.00	500.00
12. Departmental revenue - Schools		
13. Departmental revenue - Libraries	2,102.48	2,000.00
14. Departmental revenue - Cemeteries	1,885.00	2,000.00
15. Departmental revenue - Recreation		
16. Other departmental revenue	1,457.32	1,500.00
17. Licenses and permits	105,967.75	100,000.00
18. Special assessments		
→ 19. Fines and forfeits	20,060.00	20,000.00
→ 20. Investment income	136,674.51	130,000.00
→ 21. Miscellaneous recurring (please specify)		49,378.00
22. Miscellaneous non-recurring (please specify)		
23. TOTALS	\$ 1,030,368.97	\$ 1,056,378.00

I hereby certify that the actual receipts as shown in column (a) are, to the best of my knowledge correct and complete, and I further certify that I have examined the entries made on page 4 of the fiscal 2000 tax rate recapitulation form by the City or Town Clerk and hereby acknowledge that such entries correctly reflect the appropriations made and the sources from which such appropriations are to be met.

11/17/99 Date: John L. Roy Accountant/Auditor (508) 885-3025 Tel. No.

- Do not include receipts in columns (a) or (b) that were voted by the City/Town Council or Town Meeting as offset receipts on Schedule A-1, enterprise funds on Schedule A-2, or revolving funds on Schedule A-3. Written documentation should be submitted to support increases / decreases of estimated receipts to actual receipts.
- Written documentation should be submitted to support increases/decreases of FY2000 estimated receipts to FY99 estimated receipts to be used in calculating the municipal revenue growth factor.

Kecay Page 3

## II. Amounts to be raised

Ila. Appropriations (col. (b) through col. (e) from Page 4)		\$ 11,812,144.11
Ilb. Other amounts to be raised		
1. Amounts certified for tax title purposes		
2. Debt and interest charges not included on page 4	17,681.00	
3. Final court judgments		
4. Total overlay deficits of prior years		
5. Total cherry sheet offsets (see cherry sheet 1-ER)	7,277.00	
6. Revenue deficits		
7. Offset receipts deficits Ch. 44, Sec. 53E		
8. Authorized deferral of teachers' pay		
9. Snow and ice deficit Ch. 44 Sec. 31d	18,174.32	
10. Other (specify on separate letter)	194,477.00	
TOTAL Ilb (Total lines 1 through 10)		238,609.32
Iic. State and county cherry sheet charges (C.S. 1-EC cols. 1 and 2)		39,383.00
Iid. Allowance for abatements and exemptions (overlay)		80,145.01
Iie. Total amount to be raised (Total Ila through Iid)		\$ 11,970,281.44

## III. Estimated receipts and other revenue sources

IIia. Estimated receipts - State		
1. Cherry sheet estimated receipts (C.S. 1-ER Total)	\$ 445,295.00	
2. Cherry sheet overestimates (C.S. 1-EC Part E col. 3)	313.00	
TOTAL IIia		445,608.00
IIib. Estimated receipts - Local		
1. Local receipts not allocated (Page 3, col. (b), Line 23)	1,056,378.00	
2. Offset receipts (See Schedule A-1)	0.00	
3. Enterprise funds (See Schedule A-2)	0.00	
TOTAL IIib		1,056,378.00
IIic. Revenue sources appropriated for particular purposes		
1. Free cash (Page 4, col. (c))	360,620.00	
2. Other available funds (Page 4, col. (d))	185,273.11	
TOTAL IIic		545,893.11
IIid. Other revenue sources appropriated specifically to reduce the tax rate		
1a. Free cash...appropriated on or before June 30, 1999		
b. Free cash...appropriated on or after July 1, 1999		
2. Municipal light source		
3. Teachers' pay deferral		
4. Other source :		
TOTAL IIid		0.00
IIie. Total estimated receipts and other revenue sources (Total IIia through IIid)		\$ 2,047,879.11

## IV. Summary of total amount to be raised and total receipts from all sources

a. Total amount to be raised (from Iie)		\$ 11,970,281.44
b. Total estimated receipts and other revenue sources (from IIie)	\$ 2,047,879.11	
c. Total real and personal property tax levy (from Ic)	\$ 9,922,402.33	
d. Total receipts from all sources (total IVb plus IVc)		\$ 11,970,281.44

Recap Page 2

**THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF REVENUE  
TAX RATE RECAPITULATION**

of  
**STOW**  
City/Town/District

**FISCAL 2000**

**I. TAX RATE SUMMARY**

1a. Total amount to be raised (from IIe)	\$ 11,970,281.44
1b. Total estimated receipts and other revenue sources (from IIIe)	2,047,879.11
1c. Tax levy (1a minus 1b)	\$ 9,922,402.33
1d. Distribution of Tax Rates and levies	

CLASS	(b) Levy percentage (from LA-5)	(c) IC above times each percent in col (b)	(d) Valuation by class (from LA-5)	(e) Tax Rates (c) / (d) x 1000	(f) Levy by class (d) x (e) / 1000
Residential	90.3361%	8,963,511.29	494,402,319	18.13	8,963,514.04
Exempt					
Open Space	0.0000%	0.00	0		
Commercial	5.2708%	522,989.98	28,846,815	18.13	522,992.76
Exempt					
Industrial	2.8608%	283,860.09	15,656,940	18.13	283,860.32
<b>SUBTOTAL</b>	<b>98.4677%</b>		<b>538,906,074</b>		<b>9,770,367.12</b>
Personal	1.5323%	152,040.97	8,385,836	18.13	152,035.21
<b>TOTAL</b>	<b>100.0000%</b>		<b>547,291,910</b>		<b>9,922,402.33</b>

Board of Assessors of

**STOW**

City or Town

11/17/99  
Date

978 897 4597

Tel. No.

*Robert R. Billups*

*Adrian C. Raskopf*

*John R. Smith*

**Do Not Write Below This Line — For Department of Revenue Use Only**

Reviewed By \_\_\_\_\_

Date \_\_\_\_\_

Approved: \_\_\_\_\_

Director of Accounts

Date \_\_\_\_\_

Recap Page 1

**THE COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF REVENUE**  
**FISCAL 2000 TAX LEVY LIMITATION FOR**  
**STOW**  
**FOR BUDGET PLANNING PURPOSES**

**I. TO CALCULATE THE FY99 LEVY LIMIT**

A. FY98 Levy Limit	8,367,494
A1. ADD Amended FY98 Growth	0
B. ADD (IA + IA1) X 2.5%	209,187
C. ADD FY99 New Growth	293,516
D. ADD FY99 Override	0
E. FY99 Subtotal	8,870,197
F. FY99 Levy Ceiling	12,419,567

I. \$ 8,870,197  
FY99 Levy Limit

**II. TO CALCULATE THE FY2000 LEVY LIMIT**

A. FY99 Levy Limit from I.	8,870,197
A1. ADD Amended FY99 Growth	0
B. ADD (IIA + IIA1) X 2.5%	221,755
C. ADD FY2000 New Growth	302,770
D. ADD FY2000 Override	
E. FY2000 Subtotal	9,394,722
F. FY2000 Levy Ceiling	13,682,298

II. \$ 9,394,722  
FY2000 Levy Limit

**III. TO CALCULATE THE FY2000  
MAXIMUM ALLOWABLE LEVY**

A. FY2000 Levy Limit from II.	9,394,722
B. FY2000 Debt Exclusion(s)	900,533
C. FY2000 Capital Expenditure Exclusion(s)	
D. FY2000 Other Adjustment	
E. FY2000 Water / Sewer	
F. FY2000 Maximum Allowable Levy	\$ 10,295,255

*FY2000 Levy = 9,922,402*

*Excess Levy = \$ 372,853*

K-R

**Attachment L    Cherry Sheet Estimate for FY2000 Tax Levy**



FREDERICK A. LASKEY  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*

*51 Sleeper Street*  
*P.O. Box 9494*  
*Boston, MA 02205-9494*

November 22, 1999

TO LOCAL GOVERNMENT OFFICIALS:

Following final enactment of the FY2000 state budget, and pursuant to Chapter 58 of the Massachusetts General Laws, the Department of Revenue is sending you notification of the estimated amounts to be received by your municipality during the fiscal year ending June 30, 2000, as detailed on the enclosed green Form C.S. 1-ER.

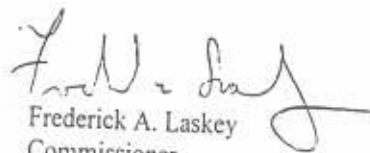
In early March of 1999, the Department of Education (DOE) notified school superintendents, school committees, mayors and boards of selectmen of preliminary estimates of FY2000 net school spending requirements prescribed by the Education Reform Act, Chapter 71 of the Acts of 1993, as amended. In many cases, your FY2000 Cherry Sheet will reflect a level of Chapter 70 aid different from that include in DOE's March notification. This change will result in a revision of net school spending requirements and may result in the need for budgetary revisions by town meetings or city/town councils. DOE plans mail revised and final net school spending requirements to local officials shortly.

The FY2000 estimated receipts for cities, towns and regional school districts total \$4.538 billion, an increase of \$364.8 million or 8.7 percent from the FY1999 Cherry Sheet totals of \$4.174 billion. The increase is primarily attributable to a \$237.2 million increase in Chapter 70 aid and a \$72.5 million increase in lottery aid. The impact of these and other program changes on your municipality is shown in the enclosed program by program comparison of the FY1999 and FY2000 Cherry Sheets.

Local officials should also be aware that the Legislature made changes to the Massachusetts Bay Transportation Authority (MBTA) funding process. This legislation increases the number of communities that constitute the MBTA and changes the method for assessing member communities. However, these changes will not impact MBTA assessments until FY2002.

Division of Local Services staff are available to answer your questions or provide additional information. You may call the Local Aid Section, Municipal Data Management and Technical Assistance Bureau, Division of Local Services, at (617) 626-2376 or (617) 626-2386.

Very truly yours,

  
Frederick A. Laskey  
Commissioner

Enclosure

L-2

\* printed on recycled paper

C.S. 1-ER



Commonwealth of Massachusetts Department of Revenue  
**NOTICE TO ASSESSORS OF ESTIMATED RECEIPTS**  
**TO BE USED IN DETERMINING THE TAX LEVY**  
 General Laws, Chapter 58, Section 25A, and Chapter 59, Section 23

FY2000

**STOW****A. EDUCATION:****Distributions and Reimbursements:**

1. Chapter 70
2. School Transportation Programs *Chs. 71, 71A, 71B and 74*
3. School Construction *1948, Ch. 645; 1976, Ch. 511*
4. Retired Teachers' Pensions *Ch. 32, s. 20 (2) (c)*
5. Tuition of State Wards *Ch. 76, ss. 7,9; Ch. 74, s. 7A; Ch. 71, s. 71f*

**Offset Items - Reserve for Direct Expenditure:**

6. Racial Equality *Chs. 76, s. 12A, 71, ss. 37 I,J, 15, s. 11*
7. School Lunch *1970, Ch. 871*

Sub-Total, All Education Items

**P GENERAL GOVERNMENT:****Distributions and Reimbursements:**

1. Lottery, Beano & Charity Games
2. Additional Assistance
3. Highway Fund *Ch. 81, s. 31; 1980, Ch. 577, s. 8*
4. Local Share of Racing Taxes *1981, Ch. 558*
5. Regional Public Libraries *Ch. 78, s. 19C*
6. Police Career Incentive *Ch. 41, s. 108L*
7. Urban Renewal Projects *Ch. 121, ss. 53-57*
8. Veterans' Benefits *Ch. 115, s. 6*
9. Exemptions: Vets, Blind & Surviving Spouse *Ch. 58, s. 8A; Ch. 59 s. 5*
10. Exemptions: Elderly *Ch. 59, s. 5, Cl. 41, 41B, 41C*
11. State Owned Land *Ch. 58, ss. 13-17*

**Offset Item - Reserve for Direct Expenditure:**

12. Public Libraries *Ch. 78, s. 19A*

Sub-Total, All General Government

**TOTAL ESTIMATED RECEIPTS, FISCAL 2000**

369,807

8,776

51,409

2,325

3,514

2,187

8,739

446,757

446,757





Commonwealth of Massachusetts Department of Revenue  
NOTICE TO ASSESSORS OF ESTIMATED CHARGES  
TO BE USED IN DETERMINING THE TAX LEVY  
General Laws, Chapter 59, Section 21

FY2000

STOW

The following State and County Assessments, as estimated, and the underestimates from the prior year, must be used by the Assessors in determining the "Total Amount To Be Raised By Taxation." Overestimates from the prior year must be listed by the Assessors as "Estimated Receipts - State."

	Column 1 Estimates To Be Raised	Column 2 PRIOR YEAR Underestimates To Be Raised	Column 3 PRIOR YEAR Overestimates To Be Used As Estimated Receipts - State
<b>A. County Assessment, County Tax:</b> Ch. 35, ss. 30, 31	12,344		
<b>B. STATE ASSESSMENTS AND CHARGES:</b>			
1. Supervision of Retirement Systems Ch. 32, s. 21			
2. Motor Vehicle Excises 1962, Ch. 727			
3. Retired Employees Health Insurance Ch. 32A, s. 10B			
4. Retired Teachers Health Insurance Ch. 32A, s. 12			
5. Mosquito Control Projects Ch. 252, s. 5A	22,327		313
6. Air Pollution Districts Ch. 111, ss. 142B, 142C	1,601		
7. Metropolitan Area Planning Council Ch. 40B, ss. 26, 29	1,408		
8. Old Colony Planning Council 1967, Ch. 332			
9. RMV Non-Renewal Surcharge Ch. 90; Ch. 60A		1,700	
Sub-Total, State Assessments	25,336	1,700	313
<b>C. TRANSPORTATION AUTHORITIES:</b>			
1. MBTA Ch. 161A, ss. 8-9; 1974, Ch. 825, ss. 6-7			
2. Boston Metro. Transit District 1929, Ch. 383; 1954, Ch. 535			
3. Regional Transit Ch. 161B, ss. 9, 10, 23; 1973, Ch. 1141			
Sub-Total, Transportation Assessments			
<b>D. ANNUAL CHARGES AGAINST RECEIPTS:</b>			
1. Multi-Year Repayments Program			
2. Special Education Ch. 71B, ss. 10, 12			
3. Energy Conservation 1983, Ch. 700			
4. STRAP Repayments 1983, Ch. 637, s. 32			
Sub-Total, Charges against Receipts			
<b>E. TOTAL ESTIMATED CHARGES, FISCAL 2000</b>	37,680	1,700	313
<b>F. NET CHARGES, FISCAL 2000</b> (Column 1 + Column 2 - Column 3)	39,067		

## FY2000 Cherry Sheet Analysis

STOW

### Estimated Receipts

<i>Program Name</i>	<i>FY1999 Estimate</i>	<i>FY2000 Estimate</i>	<i>Difference</i>
Chapter 70			
School Transportation Programs			
School Construction			
Retired Teachers' Pensions			
Tuition of State Wards			
Racial Equality Programs			
Racial Imbalance			
Magnet Education			
Equal Education Improvement			
School Lunch			
Lottery	328,445	369,807	41,362
Additional Assistance	8,776	8,776	
Highway Fund	51,409	51,409	
Local Share of Racing Taxes			
Regional Public Libraries			
Police Career Incentive			
Urban Renewal Projects			
Federally Aided Urban Renewal			
Non-Federally Aided Urban Renewal			
Urban Revitalization			
Veterans' Benefits			
Exempt: Vets, Blind & Surviving Sp	2,000	2,325	325
Exemptions: Elderly	3,012	3,514	502
State Owned Land	1,761	2,187	426
Public Libraries	7,414	8,739	1,325
<b>Total Estimated Receipts</b>	<b>402,817</b>	<b>446,757</b>	<b>43,940</b>

## FY2000 Cherry Sheet Analysis

### STOW

#### Estimated Assessments

<i>Program Name</i>	<i>FY1999 Estimate</i>	<i>FY2000 Estimate</i>	<i>Difference</i>
County Tax	12,344	12,344	
Supervision of Retirement Systems			
Motor Vehicle Excise			
Elderly Gov't Retirees Hlth Ins			
Retired Mun Teachers Hlth Ins			
Mosquito Control	22,423	22,327	-96
Air Pollution Control	1,573	1,601	28
Metropolitan Area Planning Council	1,373	1,408	35
Old Colony Planning Council			
RMV Non-Renewal Surcharge			
MBTA			
Boston MDC Expenses			
Regional Transit Authorities			
Multi-Year Repayments			
Special Education			
Energy Conservation Repayments			
STRAP Repayments			
<b>Total Estimated Assessments</b>	<b>37,713</b>	<b>37,680</b>	<b>-33</b>

#### Net Receipts

<i>Program Name</i>	<i>FY1999 Estimate</i>	<i>FY2000 Estimate</i>	<i>Difference</i>
Total Estimated Receipts	402,817	446,757	43,940
Total Estimated Assessments	37,713	37,680	-33
<b>Net Estimated Receipts</b>	<b>365,104</b>	<b>409,077</b>	<b>43,973</b>



NOTICE TO REGIONAL SCHOOL DISTRICTS  
OF ESTIMATED RECEIPTS  
General Laws, Chapter 58, Section 25A, and Chapter 59, Section 23

## MINUTEMAN

## A. EDUCATION

## Distributions and Reimbursements:

1. Chapter 70	
2. School Transportation Programs Chs. 71, 71A, 71B and 74	2,325,613
3. School Construction 1948, Ch. 645; 1976, Ch. 5J1	
4. Regional School Transportation Ch. 71, s. 16C	
5. Tuition of State Wards Ch. 76, ss. 7, 9; Ch. 74, s. 7A; Ch. 71, s. 71f	763,046

## Offset Items - Reserve for Direct Expenditure:

6. Racial Equality Ch. 76, s. 12A	
7. School Lunch 1970, Ch. 871	1,544
Total Estimated Receipts, Fiscal 2000	3,090,203

## Estimated Charges:

- 8A. Energy Conservation 1983, Ch. 700  
9A. Multi-Year Repayments  
10A. Special Education Ch. 71B, ss. 10, 12

## Total Estimated Charges, Fiscal 2000

B. TOTAL ESTIMATED RECEIPTS, NET OF ESTIMATED CHARGES FISCAL 2000 3,090,203

## MEMBER COMMUNITIES:

ACTON	LEXINGTON
ARLINGTON	LINCOLN
BELMONT	NEEDHAM
BOLTON	STOW
BOXBOROUGH	SUDBURY
CARLISLE	WAYLAND
CONCORD	WESTON
DOVER	
LANCASTER	



# NOTICE TO REGIONAL SCHOOL DISTRICTS OF ESTIMATED RECEIPTS

General Laws, Chapter 58, Section 25A, and Chapter 59, Section 23

## NASHOBA

### A. EDUCATION

#### Distributions and Reimbursements:

1. Chapter 70	5,701,204
2. School Transportation Programs Chs. 71, 71A, 71B and 74	76,174
3. School Construction 1948, Ch. 645; 1976, Ch. 51J	
4. Regional School Transportation Ch. 71, s. 16C	788,304
5. Tuition of State Wards Ch. 76, ss. 7, 9; Ch. 74, s. 7A; Ch. 71, s. 71F	

#### Offset Items - Reserve for Direct Expenditure:

6. Racial Equality Ch. 76, s. 12A	
7. School Lunch 1970, Ch. 87I	13,795

#### Total Estimated Receipts, Fiscal 2000

6,579,477

#### Estimated Charges:

8A. Energy Conservation 1983, Ch. 700	
9A. Multi-Year Repayments	
10A. Special Education Ch. 71B, ss. 10, 12	-6,637
Total Estimated Charges, Fiscal 2000	-6,637

### B. TOTAL ESTIMATED RECEIPTS, NET OF ESTIMATED CHARGES FISCAL 2000

6,572,840

MEMBER COMMUNITIES: BOLTON  
LANCASTER  
STOW

# FY2000 Cherry Sheet Analysis

## MINUTEMAN

### Estimated Receipts

<i>Program Name</i>	<i>FY1999 Estimate</i>	<i>FY2000 Estimate</i>	<i>Difference</i>
Chapter 70	2,265,220	2,325,613	60,393
Regional School Transportation	618,050	763,046	144,996
School Transportation	-	-	-
School Construction	-	-	-
Tuition of State Wards	47,581	-	-47,581
School Lunch	1,793	1,544	-249
<b>Total Estimated Receipts</b>	<b>2,932,644</b>	<b>3,090,203</b>	<b>157,559</b>

### Charges Against Receipts

Energy Conservation Repayment  
Multi-Year Repayment  
Special Education Assessment

#### **Total Charges Against Receipts**

**Total Estimated Receipts,  
Net of Charges**

<b>2,932,644</b>	<b>3,090,203</b>	<b>157,559</b>
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# FY2000 Cherry Sheet Analysis

## NASHOBA

### Estimated Receipts

<i>Program Name</i>	<i>FY1999 Estimate</i>	<i>FY2000 Estimate</i>	<i>Difference</i>
Chapter 70	5,108,591	5,701,204	592,613
Regional School Transportation	632,133	788,304	156,171
School Transportation	49,485	76,174	26,689
School Construction	602,467		-602,467
Tuition of State Wards	50,324		-50,324
School Lunch	14,136	13,795	-341
<b>Total Estimated Receipts</b>	<b>6,457,136</b>	<b>6,579,477</b>	<b>122,341</b>

### Charges Against Receipts

Energy Conservation Repayment			
Multi-Year Repayment			
Special Education Assessment	-6,994	-6,637	357
<b>Total Charges Against Receipts</b>	<b>-6,994</b>	<b>-6,637</b>	<b>357</b>

<b>Total Estimated Receipts, Net of Charges</b>	<b>6,450,142</b>	<b>6,572,840</b>	<b>122,698</b>
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**Attachment M      Estimate of the Average Single-Family Residential Tax Bill  
(For Year 2000 Annual Town Meeting)**

New Growth	3.0%		
	<u>FY2000</u>	<u>FY2001</u>	<u>% Change</u>
Total Property Tax Levy	\$9,922,402	\$10,919,739	10.1%
Total Assessment Base	\$547,291,910	\$563,773,884	3.0%
Tax Rate (/ \$1,000)	\$18.13	\$19.37 <sup>1)</sup>	6.8%
Total Single Family Residential Assessment Base	\$450,455,055	\$461,267,000	2.4%
No of Single-Family Homes	1,826	1,865	2.1%
Average Single-Family Home Assessment	\$246,690	\$247,328	0.3%
Average Single-Family Home Tax Bill	\$4,472.48	\$4,790.50	7.1%

Notes

- 1) For planning purposes only. Actual tax rate will be different due to ongoing reassessment work by the Board of Assessors.