



Town of Stow FINANCE COMMITTEE

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Final - Approved

Minutes of the November 7, 2017

Finance Committee Meeting

Finance Committee Members Present: Rich Eckel, Chair (RE), Peter McManus (PMcM), Paul McLaughlin (PMcL), Julianne North (JN), Thomas Johnson (TJ)

Others present: Brian Burke at 7:30pm, Katie Fisher and Mark Forgues at 740PM

Call to Order

The meeting was called to order at 7:10 PM.

A/P and Reserve Fund transfers.

see below for ClearGov fund transfer

Review Minutes

PMcM moved and PMcL seconded acceptance of minutes of 10/17/17 meeting, unanimously approved at 722 PM.

Liaison reports:

PMcM visited Library Director Fournier to clarify what fincom was looking for in budget process (a digital copy of budget). Ms. Fournier discussed some anticipated staff turnover, and she usually gets about 75-100 resumes for the job posting. Work has begun on the chimney. Discussion of her presentation to BOS about circulation. Mention of a letter to editor of local paper comparing Randall library to library of other towns and stating actual circulation is declining. Discussion of library addition and funding from state which would require a much larger footprint than what we have or have asked for (sq ft based on population)

PMcM met with Town Administrator to continue a dialog about how Fincom is approaching departmental and overall budget reviews and analysis. Fincom should have more coordinated message by: managing process through liaisons, being involved early, and delivering consistent message about what we're looking for. Discussed Employee

Incentive Program and the Town Administrator feels it is a point of equity that all Town Employees have education incentive (i.e. like the school does as well as the police and fire, etc)

Other business:

NRSD: Discussed concerns of NRSD SC Chair Romesco about Mark Jones' presentation to Fincom earlier in the month. Discussed early dissolution of NRSD Facility Committee.

Budget Process: PMcL suggested we create a PPT to inform people of our function, and describe what information we need in order to live up to our goals. We should use the information in Atli's memo (attached) describing our goals. This way the public would better understand our function and see we're trying to meet our goals as described by the town charter. Perhaps we can have an interview with Nancy Arsenault of the local paper and discuss the purpose of the fincom, that we're appointed by the Moderator to serve as interim town meeting to act on financial matters that come up (using reserve) and that we need to understand the budget so we can present it to our fellow citizens at the town meeting.

ClearGov software: Discussion of two State websites recommended by town clerk, general agreement that although the data is the same, the presentation of the data requires a lot of work to make it understandable. RE reached out to other boards (BOS, PB, CPC, EcDev) for feedback and possible sharing of cost, no responses. Reserve fund transfer is only way to fund. Difficult to justify as an unexpected expense. Pros: great presentation, information is direct upload from town general ledger so more reliable, Cons: Data only until FY15 (June 2015); missing information gleaned from special articles, annual report commentaries; town comps difficult based on varying expense classification; cost. Discussion of contract, does Bill have to sign after approval from BoS? (will Bill and BoS agree with our decision?) RE moved and PMcM seconded that we go ahead with purchasing the software. Motion passed at 826PM with 3 voting for (RE, PMcM, PMcL), one against (JN).

Next discussed paying for software using Reserve Fund Transfer. RE states it's unforeseen because he's a new chairman, we considered doing it ourselves but Artur got busy and couldn't, then we found fully packaged offering. Expense will be in IT budget next year. Is it extraordinary and unforeseen. Would fincom agree to fund this expense from reserve fund for any other department? PMcL moved and Rich seconded to appropriate up to \$4866.67 from reserve fund account for purchase of Cleargov municipal budget analytic program. Motion passed at 832PM, three in favor (RE, PMcM, PMcL), one opposed (JN).

COA FY18 Budget review JN presented COA budget comp using FY18, FY17 budgets

and FY16 actual for Stow and surrounding towns of Bolton, Harvard, Lancaster, Littleton, Boxborough, Acton, Sudbury, Maynard and Ayer. Wages and total budgets per population and per population >60 were compared. Stow's COA budget is greater in total terms (exc Acton and Sudbury) and per pop compared to all towns. Other towns appear to have less staff and use revolving funds and grants to a greater degree than Stow. Answer to question of "What is the budget buster?" appears to be higher staffing and lack of revenue from revolving accounts and grants. Questions to COA: transportation alternatives like charging for rides, can we share costs with other towns, front desk coordinator (not staffed in other towns), how do our services compare to other towns (to justify higher cost), are there free alternatives (social workers, outreach workers) offered by other agencies like Minuteman, do other towns have Friends to support with fundraising, should we be spending the same amount as a town the size of Sudbury?, social worker was originally hired with a grant but the grant disappeared so now it's in budget, can COA get more grants. Has move to Pompo increased COA budget?

GASB75: PMcL discussed GASB 75 becomes operational this year, requires that OPEB liability moves from footnote to balance sheet as liability. He's concerned with bond rating as we also have to recognize our share of NRSD OPEB liability. NRSD liability is \$38million, Stow is \$6-\$8million. Offset is equity (see page 14 of annual report in 8/23/17 email from Bill-our equity is negative). Some wealthy towns have been funding their OPEB, but most towns haven't. Idea of borrowing @2.5% and investing the money to fund our OPEB was discussed. Should fincom pitch funding OPEB with borrowing? how about with free cash?

Questions to TA: 1. Free Cash, Stab fund, overlay surplus 2. updated debt schedule (tops \$1.8m next year incl lower village and community center, but not Minuteman)

Next week's agenda: Steve Dungan, liaison meetings, list of questions for budget meetings, goals for selectmen

Adjourn

The meeting was adjourned at 9:30 PM. Motion: RE Second: AT

Action Items:

JN to add Ayer to COA comps