



## **Town of Stow FINANCE COMMITTEE**

**Town Building - 380 Great Road  
Stow, Massachusetts 01775-2127**

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Final  
Minutes of the November 21, 2017  
Finance Committee Meeting

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

Others present:  
Steve Dungan  
Jean Vangsness

Call to Order  
The meeting was called to order at 7:00 PM.

Steve Dungan, former Fincom member (2004-2011)

Steve suggests that without a refresher from time to time, budgets increase at pace without looking at the underlying assumptions. Zero Based budgeting (ZBB) provides a look at what's been going on, rather than just increasing budgets a certain percentage every year just because it's a new year. ZBB is a tool to make sure you're getting the most out of your budget money. With respect to Stored Assets: Steve thinks free cash is like an IRA and should be held for long term needs and crises, to have something to fall back on.

Review Minutes

JN moved and RE seconded acceptance of minutes of 11/7/17, 3/28/17, 4/4/17, 4/11/17 meetings, unanimously approved at 730 PM.

A/P and Reserve Fund transfers.  
None

Liaison reports:

PMcL: Paul met with Alyson Toole after COA board meeting. Social worker splits time 50/50 between town and COA (based on call data) and her salary should be allocated accordingly. She says our transportation services are more responsive than other towns, will provide door-to-door and not just point A to point B. We need to gather and study

available data to understand services, costs, value, especially as compared to other towns.

#### RE, Board of Health:

RE met with BOH. Although dept has been regionalizing some services to reduce costs, costs are still 30%-40% higher than comparable towns in the area. To ensure that the Fincom comparisons are accurate, Rich suggested to the BOH that they needed to compile list of services provided by the Stow BOH to compare to other towns. BOH has reduced their budget by regionalizing, they're doing things we would hope they would do. Effectively, getting more services for the same amount of budget. BOH board noted that they was interested to have a budget discussion this early in the year. .

#### RE, Fire Dept:

RE met with Fire Chief. Discussed current and future staffing, staff response to 911 incidents (what appeared to RE to be a large turnout for minor incidents is "the way the system works"), capital request for new command car (rather than rebuild transmission), ambulance purchase cost will be less than budget. Fincom discussion: where is ambulance revenue accrued in town finances? Also, Fire calls have declined for years while Medical calls have risen considerably. Capital request for new fire apparatus in 2020 is likely \$525k.

#### Other business:

NRSD: Current capital plan for the towns is 250K for FY19. Each town has it's own elementary and middle schools. Stow's projection is \$50K.

Budget Process: Fincom to continue working with the departments through the liaisons to gather budget data. Committee reviewed the Financial Status Report - a report on analysis of change of free cash, stabilization fund, tax rate (among other things) that the Town Administrator provides to the Board of Selectmen every November. Discussed appropriate level of savings for the town, sources of savings, effect of savings on Town bond rating, options for financing OPEB.

RE discussed findings that in our benchmarking work, our department budgets seem to be 20-50% greater than other comparable towns.

Revisited Fincom Goals: Arrest or reduce the growth in the tax rate. Why? How are we going to measure this? With respect to the budget, is growth in any area over 3% too much? Where can we reduce? Fincom to provide some recommendations in March.

AT reviewed his PPT presentation titled 2016 Summary of Spending. Key questions are 1. What drivers put Stow in top ranking of taxation and 2. What services are driving those

costs? Need a full comprehensive picture to understand the tax issues: we are taxed more than other towns (consistently between 30-35%) because we're expected to contribute more to funding students and get reimbursed less and we have a greater portion of taxes from residential property than other towns. Also, our staffing levels are greater than those of other towns.

Sources of Revenue: It was suggested that a review be conducted of Stow's property taxes compared to other towns, especially the breakdown between residential property tax revenue vs commercial tax revenue.

Schools: It was noted that Nashoba spends less than the state average per student and our teacher salaries are less than the median teacher salary for local comps. Are we getting the value out of our spending? What drives the cost of education? Department of Education reimburses towns at different rates and Nashoba receives less federal/state aid and thus we pay more in taxes. AT believes that school spending does not explain the high tax rate for Stow.

Municipal Budget: Growth in Stow budget greater than other towns. Does not jive with statements of BOS that town is financially responsible and ruled with an iron fist. We have not done anything out of the ordinary in terms of keeping town budget under control. (Boxborough and Harvard have)

Fincom budget: Fincom advertising budget is \$250/year. It could potentially be reduced to \$100, majority for public notices. At least 2 town meetings should be budgeted for. Fincom to determine cost of advertising with the local paper for budgeting purposes, as spending has been approximately \$85/year. Office supply budget to be recommended to be reduced to \$100 from \$200. Fincom admin hours budgeted increased to 223 from 208 hours. This could be reduced back to 208. Admin to track hours to use for budgeting. Total budget would be reduced by \$450.

ClearGov software: RE was able to get \$1000 knocked off the price, to \$3800 for one year. Acceptance date is the end of January. RE applied for a two-year grant with Community Compact recommended by Cleargov.com. Award notice will be in 2 weeks. Town Accountant has sent data for one year to test and should have data to 2008 uploaded by end of year. RE has press release already written, will get on BOS agenda in December to discuss this and benchmarking efforts we're undertaking. Hoping to get press coverage of Clear.gov by attending BoS meeting.

Next week's agenda: Steve Jelinek, Capital Planning

Adjourn

The meeting was adjourned at 10:06 PM. Motion: JN Second: RE