



Town of Stow FINANCE COMMITTEE

**Town Building - 380 Great Road
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Final

Minutes of the February 27, 2018 Finance Committee Meeting

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

Others present:

Jean Vangsness

Call to Order

The meeting was called to order at 7:55 PM.

Review Minutes

No minutes were reviewed

Mail/Correspondence:

None

Accounts Payable

None

Liaison reports:

Fincom had a joint board meeting with the Board of Selectmen. Questions raised by the Fincom were regarding the Other Pension and Employee Benefits (OPEB) liability which will be required by Government Accountability Standards Board (GASB) to be included on the Town's Balance Sheet. The currently liability is several million dollars and the Fincom would like to better understand the Town's strategy to manage this liability. In particular, the concern is that the GASB 75 note is that a new several million dollar liability on the Town's balance sheet which reduce the Town's net worth and, therefore, negatively affect the Town's credit rating. The Town Administrator and various Select Board Members suggested that the "pay-as-you-go" method is the suggested strategy for now because the cost to funding this liability more aggressively or entirely now our weighs

the benefit of other more nearer term priorities. The Select Board Chair suggested the Fincom schedule time with the Select Board to discuss these concerns.

Also discussed was the Town's Administrator's application of several thousand dollars of Free Cash to Operational budget. Doing so will help reduce the overall budget and, therefore, should help reduce the tax rate. Although the Town Administrator noted that he does apply some Free Cash to fund Capital Items in every Budget for the last ten years, this is the first time he has done so to funds Operations.

Overall, the Town Administrator is aiming to have a level funded budget with a potential reduction in the operating budget. The suggested result will be a reduction in the tax rate below the FY2018 tax rate of \$20.98. Coupled with only about a 2% growth in assessments (information was provided by the Chair of the Board of Assessor), should result in an overall reduction in taxes to the Town of Stow Tax payers.

Budget Discussions:

Fincom members reviewed budgets that have been submitted. The largest increases to overall budget comes from the Nashoba Regional School District (NRSD) and MinuteMan Vocational School District (MMVSD). Discussion points and questions were prepared ahead of Superintendent Clenchy's visit on March 6th. Fincom would also like to discuss the status of the SOI for the high school.

Fincom will be continuing discussions and review of all department budgets, including putting together questions and recommendations.

Other business:

ClearGov premium subscription on the Fincom FY19 budget: JN motioned to remove it from the Fincom budget. AT seconded. Unanimous vote with one abstention (RE)

Next Fincom meeting will be Tuesday, March 6th at 7PM. Invited for budget discussion is Superintendent Brooke Clenchy.

Adjourn The meeting was adjourned at 9:47 PM. Motion: AT, Second: PMcM